

**REPORT OF THE  
FINANCE COMMITTEE OF THE  
BOARD OF DIRECTORS OF THE  
COOK COUNTY HEALTH AND HOSPITALS SYSTEM**

**DECEMBER 12, 2008**

**ATTENDANCE**

Present: Chairman David Carvalho and Director Heather O'Donnell, JD, LLM (2)  
Board Chairman Warren L. Batts (Ex-Officio)

Absent: Directors Quin R. Golden; Benn Greenspan, PhD, MPH, FACHE; Luis Muñoz, MD, MPH; and Jorge Ramirez (4)

Also Present: Johnny Brown – Chief Operating Officer, John H. Stroger, Jr. Hospital of Cook County; Pitt Calkin – Interim Chief Financial Officer, Cook County Health and Hospitals System; Leslie Duffy – Director of Procurement, Cook County Health and Hospitals System; Sylvia Edwards – Chief Operating Officer, Oak Forest Hospital of Cook County; Richard Keen, MD – Chairman, Department of Surgery, John H. Stroger, Jr. Hospital of Cook County; Stephen Martin, PhD, MPH – Chief Operating Officer, Cook County Department of Public Health; Jeff McCutchan – Supervisor, Transactions and Health Law Division, Office of the State's Attorney; John Morales – Cook County Comptroller; Hon. Anthony Peraica – Cook County Commissioner; Elizabeth Reidy – Deputy Chief, Civil Actions Bureau, Office of the State's Attorney; Gretchen Ryan – Project Manager, MedAssets; Deborah Santana – Office of the Secretary to the Board of Commissioners of Cook County; David R. Small – Interim Chief Executive Officer, Cook County Health and Hospitals System; Antoinette Williams - Associate Director, Department of Nursing, John H. Stroger, Jr. Hospital of Cook County; Robert Wright – Executive Project Director, MedAssets

Ladies and Gentlemen:

Your Finance Committee of the Board of Directors of the Cook County Health and Hospitals System met pursuant to notice on Friday, December 12, 2008 at the hour of 2:00 P.M. at the County Building, 118 North Clark Street, in the Board Room, Room 567, in Chicago, Illinois.

Your Finance Committee has considered the following items and upon adoption of this report, the recommendations follow.

**Roll Call**

Deborah Santana, of the Office of the Secretary to the Board of Commissioners, called the roll of members, and it was determined that a quorum was not present.

Chairman stated that because a quorum was not present, the Committee would review and discuss the items, but no action would be taken by the Committee. He added that the report would still be presented to the Board indicating the Committee's review and discussion of the items, however, the items requiring action would need to be presented to the Board of Directors. These items should be placed on the Board's agenda for the meeting of December 18, 2008 for their consideration.

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**Presentation of September 2008 Financials**

Pitt Calkin, Interim Chief Financial Officer of the Cook County Health and Hospitals System, presented the September 2008 Financials. (See Attachment #1.) These were also presented at the Finance Committee meeting of November 24, 2008.

The Committee reviewed and discussed the information.

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**Contracts and Procurement Approvals, as Amended\***

Additional information pertaining to these items is included in Attachment #2.

\*These items, as amended, were reviewed, considered and discussed by those members of the Finance Committee who were present. However, due to the lack of a quorum, consideration and approval by the full Board of Directors is necessary.

**REQUEST TO RENEW GRANT**

1)	07/01/08 through 06/30/09	Grant Amount: \$56,035.00
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Requesting authorization to renew the Illinois Perinatal Program grant from the Illinois Department of Public Health.

**REQUEST TO RENEW GRANT,  
AS AMENDED**

2)	07/01/08 through 06/30/09	Grant Amount: \$766,000.00
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Requesting authorization to renew the Family Planning Services grant with the Illinois Department of Public Health.

**REQUEST TO RENEW GRANT,  
AS AMENDED**

3)	07/01/08 through 06/30/09	Grant Amount: \$551,300.00
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Requesting authorization to renew the Supplemental Nutrition Program grant with the Illinois Department of Public Health.

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**REQUEST TO RENEW GRANT,  
AS AMENDED**

4)	07/01/08 through 06/30/09	Grant Amount: \$237,291.00
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Requesting authorization to renew the Black Lung Grant with the Department of Health and Human Services.

**REQUEST TO RENEW GRANT**

5)	07/01/08 through 05/31/09	Grant Amount: \$18,841.00
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Requesting authorization to renew the Maternal Child Health grant from Great Lakes Hemophilia Foundation.

**REQUEST TO EXECUTE COOPERATIVE EDUCATIONAL MASTER AGREEMENT**

6)	07/01/08 through 06/30/16	Fiscal Impact: None
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Request to Execute Cooperative Educational Master Agreement between the Cook County Health and Hospitals System and Weiss Memorial Hospital. This agreement covers the three-year Podiatry Residency Program between Oak Forest Hospital of Cook County and Weiss Memorial Hospital (Contract No. 08-41-358).

**REQUEST TO RENEW LEASE**

7)	Thornton Township High School District 205	*See backup information for specific dates of usage
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No-cost lease, for usage of premises at the Thornton Township High School approximately two times per month in order to conduct classes for teen parents pursuant to the Subsequent Pregnancy Prevention Program.

**REQUEST FOR PAYMENT ONLY**

8) For the provision of orthopaedic implants.

Stryker Instruments	\$89,713.00
Abbott	1,764.00
Acumed LLC	201,876.00
Allosource	113,415.00
Arthrex	31,637.00
Smith & Nephew	203,791.00
Boston Scientific	77,309.00
Depuy Spine	80,830.00
Depuy Orthopedics	435,819.70
Biomet Inc.	15,468.00
Ethicon	20,714.00
Zimmer U.S. Inc.	1,158.00
Total	\$1,273,494.70

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**REQUEST TO INCREASE CONTRACTS,  
AS AMENDED**

9) For the provision of nurse staffing.

Direct Medstaff Nursing, Inc. (Contract No. 08-41-199)	\$354,000.00
Gareda Diversified Business Services (Contract No. 08-41-148)	147,000.00
Integrity Nursing Network, Inc. (Contract No. 08-41-151)	136,000.00
LMR Nursing Services, Inc. (Contract No. 08-41-139)	70,000.00
Professional Nursing, Inc. (Contract No. 08-41-140)	<u>180,000.00</u>
Total	\$887,000.00

**REQUEST TO EXTEND CONTRACT**

10) Nellcor Puritan Bennett 08/01/08 through 03/31/09

For the provision of respiratory therapy ventilator repair parts for the maintenance of the Nellcor Puritan Bennett 7200 and 840 ventilators for Oak Forest Hospital of Cook County (Contract No. 06-45-518).

**REQUEST TO EXTEND CONTRACT**

11) Tallgrass Systems, Ltd. 01/10/09 through 03/09/09

For the provision of Lexmark toner cartridges for the Cook County Health and Hospitals System (Contract No. 06-84-210 Rebid).

**REQUEST TO EXTEND CONTRACT**

12) Nighthawk Radiology Services, LLC 11/30/08 through 02/28/09

For temporary radiologist services for Provident Hospital of Cook County (Contract No. 07-45-448).

**REQUEST TO INCREASE AND EXTEND CONTRACT,  
AS AMENDED**

13) Northwestern Pharmaceutical 11/30/08 through 02/28/09 \$120,000.00  
& Supply Corporation (\$40,000 per month)

For the purchase of reagent rental, calibrators, controls and consumables (Contract No. 04-72-693).

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## REQUEST TO INCREASE AND EXTEND CONTRACT

14) LifeScan Chicago 11/30/08 through 02/28/09 \$78,000.00

For the provision of positron emission tomography (PET Scanning) (Contract No. 05-41-59).

## REQUEST TO INCREASE AND EXTEND CONTRACT

15) Progressive Industries, Inc. 10/17/08 through 01/01/09 \$20,000.00  
(\$5,000 per month)

For the purchase of pregnancy kits (Contract No. 05-72-221).

## REQUEST TO INCREASE AND EXTEND CONTRACT

16) Marstech Solutions Inc. 12/20/08 through 04/30/09 \$100,000.00

For the provision of reagents, controls, calibrator and consumables (Contract No. 05-73-232).

## REQUEST TO INCREASE AND EXTEND CONTRACT

17) Beckman Coulter, Inc. 11/30/08 through 02/28/09 \$100,000.00

For the provision of flow cytometry reagents and supplies (Contract No. 05-73-269).

REQUEST TO INCREASE AND EXTEND CONTRACT

For the provision of maintenance and repair services for all vehicles at Oak Forest Hospital of Cook County (Contract No. 07-72-372).

REQUEST TO ENTER INTO AND EXECUTE CONTRACT

19) Draeger Medical Inc. One-time Purchase \$1,516,476.00

For the provision of anesthesia machines and integrated anesthesia critical care patient monitors.

REQUEST TO ENTER INTO AND EXECUTE CONTRACT

20) GE Healthcare One-time Purchase \$156.045,00

For the provision of Plasma Digital Storage UDO2 EA Data Migration Software.

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**REQUEST TO ENTER INTO AND EXECUTE CONTRACT**

21) High Voltage Maintenance One-time Purchase (on an emergency basis) \$260,750.00

For the provision of labor, materials, equipment and engineering services for the replacement of two electrical transformers for John H. Stroger, Jr. Hospital of Cook County.

**REQUEST TO ENTER INTO AND EXECUTE CONTRACT,  
AS AMENDED**

22) Open Text Corporation 08/01/07 through 07/31/09 \$97,990.64

For maintenance and support of Vista Plus Professional Production and User Client Licenses for System facilities.

## REQUEST TO ENTER INTO AND EXECUTE CONTRACT

23) TeleTracking Technologies, Inc. 02/01/09 through 01/31/12 \$222,468.00

For software maintenance and support of the patient admitting and bed tracking database services.

REQUEST TO ENTER INTO AND EXECUTE CONTRACT

24) University HealthSystem Consortium One (1) Calendar Year Fiscal Impact: None

For the provision of Performance Accelerator Suite Program.

**REQUEST TO RENEW AND EXECUTE CONTRACT,  
AS AMENDED**

25) Siemens Medical Solutions USA, Inc. 01/10/09 through 01/09/12 \$7,402,752.00

For license, maintenance and support patient accounting system computer software (Contract No. 06-41-274).

**REQUEST TO RENEW AND EXECUTE CONTRACT,  
AS AMENDED**

26 Soft Computer Consultants 07/01/08 through 06/30/11 \$2,591,659.00

For the provision of software maintenance, support enhancement and hardware for the Laboratory System (Contract No. 06-41-728).

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**REQUEST TO RENEW AND EXECUTE PROGRAM ADDENDUM**

27)	Midwestern University	07/01/08 through 06/30/09	\$793,255.00
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For the current Midwestern University Residency Program in Emergency Medicine for Provident Hospital of Cook County (Contract No. 07-41-361).

**REQUEST TO EXECUTE CONTRACT**

28)	GE Healthcare Diagnostics	One-time Purchase	\$245,057.54
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For the purchase of an ECG database system for Oak Forest Hospital of Cook County (Contract No. 08-41-272).

**REQUEST TO AWARD BID,  
AND REQUEST TO ENTER INTO AND EXECUTE CONTRACT**

29)	Anchor Mechanical Inc.	11/16/08 through 11/15/11	\$5,609,831.94
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For the provision of maintenance and repair services for refrigeration and ventilation equipment/utilities (Contract No. 05-53-233 Rebid).

**REQUEST TO AWARD BID,  
AND REQUEST TO ENTER INTO AND EXECUTE CONTRACT,  
AS AMENDED**

30)	Bioelectronic Engineering & Medical Supplies (B.E.A.M.S.)	One-time Purchase	\$278,274.00
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For the provision of digital mobile c-arm fluoroscopy (Contract No. 07-72-497 Rebid).

**REQUEST TO AWARD BID,  
AND REQUEST TO ENTER INTO AND EXECUTE CONTRACT**

31)	Alliance Health Services, Inc.	One-time Purchase	\$127,482.13 (base bid)
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For the purchase of critical care beds (Contract No. 07-73-549).

**REQUEST TO AWARD BID,  
AND REQUEST TO ENTER INTO AND EXECUTE CONTRACT**

32)	Cantu Copy, Inc.	11/01/08 through 10/31/11	Revenue Generating: \$480,720.00 over a three-year period
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For the provision of third party correspondence services for Oak Forest Hospital of Cook County, Provident Hospital of Cook County, and John H. Stroger, Jr. Hospital of Cook County (Contract No. 08-84-277).

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**REQUEST TO AWARD BID,  
AND REQUEST TO ENTER INTO AND EXECUTE CONTRACT**

33)	Inlander Brothers, Inc.	01/01/09 through 12/31/10	\$391,720.00
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For the provision of paper "C" fold towels (Contract No. 09-15-680H).

**REQUEST TO AWARD BIDS,  
AND REQUEST TO ENTER INTO AND EXECUTE CONTRACTS**

Seventeen (17) month contract, ending 04/30/10

34)	For the provision of supplies - nutritional supplements, feeding bags and tubings (Contract No. 08-15-109H1).	
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Bioelectronic Engineering & Medical Supplies (B.E.A.M.S.) MMS - A Medical Supply Company	\$113,942.00
	<u>61,511.40</u>
	Total
	\$175,453.40

**REQUEST TO AWARD BIDS,  
AND REQUEST TO ENTER INTO AND EXECUTE CONTRACTS**

35)	Eleven (11) month contract, ending 10/31/09	
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For the provision of supplies - monitors and noninvasive pacemakers (Contract No. 08-15-189H).

Bioelectronic Engineering & Medical Supplies (B.E.A.M.S.) Ekla Corporation	\$86,640.25
	<u>1,473.45</u>
	Total
	\$88,113.70

**REQUEST TO AWARD BIDS, REBID\*,  
AND REQUEST TO ENTER INTO AND EXECUTE CONTRACTS**

36)	Nine (9) month contract, ending 08/31/09	
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For the provision of orthopaedic supplies (Contract No. 07-15-285H3).

Ekla Corporation O&M Enterprises Progressive Industries, Inc.	\$42,493.50
	<u>2,947.50</u>
	<u>3,922.35</u>
	Total
	\$49,363.35

\*This is a partial award. Contained in the backup materials are the items for which permission to cancel and rebid is requested.

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**REQUEST TO ADVERTISE FOR BIDS,  
AS AMENDED**

37) For the provision of testing and certification of intravenous preparation hoods and sterile intravenous preparation rooms at the CORE, Oak Forest, Provident and Stroger facilities. Contract period: 01/01/09 through 12/31/09.

**REQUEST TO ADVERTISE FOR BIDS**

38) For the purchase of an ambulance cot and stretchers with mattress pads.

**REQUEST TO ADVERTISE FOR BIDS**

39) For the purchase of diagnostic and angio catheters. Contract period: 08/01/08 through 07/31/09.

**REQUEST TO ADVERTISE FOR BIDS**

40) For the purchase of catheters, guidewires and inflation devices. Contract period: 02/06/09 through 02/05/11.

**REQUEST TO ADVERTISE FOR BIDS**

41) For the provision of window washing services. Contract period: 02/06/09 through 02/05/11.

**REQUEST TO CANCEL AND REBID,  
AS AMENDED**

42) For the provision of snow removal services for John H. Stroger, Jr. Hospital of Cook County (Contract No. 08-84-178 Rebid). Contract period: 04/03/08 through 04/02/09

**REQUEST TO CANCEL AND REBID**

43) For the purchase of floor care products. Contract period: 06/06/08 through 06/05/10.

**Chairman Carvalho stated that an errata had been distributed (Attachment #3) which reflects corrections to ten (10) contractual transmittals submitted as backup for Contracts and Procurement Approvals.**

Leslie Duffy, Director of Procurement of the Cook County Health and Hospitals System, provided additional information on the items presented.

Questions were raised and answered with regard to several requests. During the discussion, Chairman Carvalho stated that the items should be submitted using a standardized process and should include the following information: original term; original amount; and when the services were provided relating to the request for payment<sup>1</sup>.

After the Committee reviewed and discussed the items, Chairman Carvalho stated that the recommendation of those Finance Committee members present was to present the Contracts and Procurement Approval items, as amended, to the full Board for consideration at their December 18, 2008 meeting.

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**Update on Contracting Issues**

Ms. Duffy provided an update on contracting issues. She stated that significant progress has been made to address the backlog and current contracts that have been approved; they have fifty percent (50%) of the Purchase Orders that were needed since the beginning of July.

Further discussion took place with regard to 2008 and 2009 encumbrances and expenditures.

Chairman Carvalho noted that as the Procurement Policy is drafted and finalized, there should be a training component built into it, in order to facilitate the implementation.

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**Review and approve Proposed Tables of Organization  
Revenue Cycle and Fiscal Affairs**

David R. Small, Interim Chief Executive Officer of the Cook County Health and Hospitals System, and Gretchen Ryan, of MedAssets, presented the Proposed Revenue Cycle Table of Organization (Attachment #4) and the Proposed Fiscal Affairs Table of Organization (Attachment #5) (deferred at the Finance Committee Meeting of November 24, 2008).

After the Committee reviewed and discussed the items, Chairman Carvalho stated that the recommendation of those Finance Committee members present was to present the proposed tables to the full Board for consideration at their December 18, 2008 meeting.

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**Review and discuss the issues related to the degree of individual responsibility associated with charitable care programs, i.e. patient responsibility for participating in data capture which might lead to alternative sources of payment, be they governmental or private insurance, and the degree to which attempts to obtain such information may inhibit an individual's decision making process to seek care, particularly in non emergent situations. (Deferred on November 24, 2008.)**

Mr. Small and Robert Wright, of MedAssets, presented information relating to the subject. (See Attachment #6.) Discussion took place on issues relating to charity care policies.

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**Update on development of capital equipment  
master lease agreement option for FY2009**

Mr. Calkin presented information on the subject. (See Attachment #7.) He indicated that this is presented as an alternative for the procurement of capital equipment if there are no capital bonds issued.

The Committee reviewed and discussed the matter. Mr. Calkin stated that a Request for Proposals is being drafted for this purpose; his intent is that everything will be done by February 15<sup>th</sup>.

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**Review and approve agreement for productivity  
benchmarking tool through UHC/Solucient**

Mr. Calkin presented information on the subject. (See Attachment #8.)

After the Committee reviewed and discussed the item, Chairman Carvalho stated that the recommendation of those Finance Committee members present was to present the proposed agreement for productivity benchmarking tool through UHC/Solucient to the full Board for consideration at their December 18, 2008 meeting.

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**Proposed 2009 Finance Committee Meeting Dates**  
(Deferred on November 24, 2008)

Chairman Carvalho stated that the Human Resources Committee had set their 2009 Calendar earlier that day; the Finance Committee's 2009 Calendar will be for the most part on the same days as the Human Resource Committee. However, he still needs to review and adjust a few dates, and will send this list to the Finance Committee members.

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**Review and discuss the following:**

- Report of the Finance Committee for the meeting of November 6, 2008  
(Deferred on November 24, 2008)
- Report of the Finance Committee for the meeting of November 24, 2008

Chairman Carvalho stated that this item would be deferred to the next meeting of the Finance Committee.

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**Public Comments**

Chairman Carvalho asked the Secretary to call upon the registered speakers.

Ms. Santana replied that there were none.

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**Adjournment**

As the agenda was exhausted, Chairman Carvalho declared the meeting adjourned.

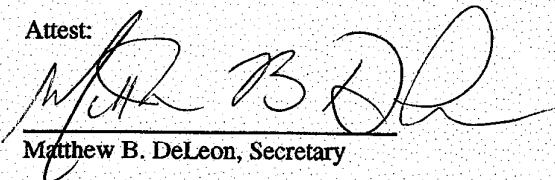
Respectfully submitted,  
Finance Committee of the  
Board of Directors of the  
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David Carvalho, Chairman

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Attest:



Matthew B. DeLeon, Secretary

The following was requested or was indicated as a follow-up item at this meeting:

<sup>1</sup> Follow-up: Regarding transmittals: items should be submitted using a standardized process and should include the following information: original term; original amount; and when the services were provided relating to the request for payment. On page 9. (Leslie Duffy)

**Cook County Health and Hospitals System**

**Income Statement for the Ten Months Ended**  
**September 30, 2008**

Revised as of November 21, 2008

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### **Summary**

The Cook County Health and Hospitals System year to date financial results finished the tenth month of the fiscal year behind the budget by almost 28%. The poorer than planned financial performance was due to lower Patient Service Revenue, IGT Revenue, and Non-Operating Revenue. The overall revenue shortfall at the end of the tenth month was \$58,588,555 below the budget for the same period in time. Expenses were also below budget. The favorable level of expenses was not enough to offset the shortfall in revenue.

### **Operating Revenue**

Fees at the end of September collected from patient services were below budget year to date by 11.4%. The September year to date shortfall from budget was an improvement from the level at the end of August where patient fees were 12.5% below the budget. It is expected that by the end of fiscal year there will be further improvement in collected fees as compared to the budget. Patient fees are expected to fall short of the budget by approximately 7% or \$21.5 million dollars by the end of the fiscal year. The largest source of unfavorable patient service revenue is from the shortfall of Medicaid patient fees.

The Intergovernmental Transfer Revenue continues to be short of the budget due to the phase out of one federal program. The System has been working with the officials of the State Medicaid program to offset the loss of IGT revenue. The 2008 loss of IGT is \$15,004,000. Through the efforts of the System management and the consultants they have arranged for the System to receive approximately \$11,697,000 by the end of the fiscal year. IGT revenue will by the end of the fiscal year still be below the budget by approximately \$3,307,000. The additional funds received from the State to offset the loss of the IGT were paid to the County in two different methods. An additional transfer of \$3,697,000 was received first and the \$8,000,000 balance of the \$11,697,000 was

received as an increase of November patient fees. The increase in patient fees was paid by adjusting the % of revenue that the State requires the county to return to the State.

Other Revenue at the end of September is in excess of the budget by \$1,723,106 or 36.6%. If this trend continues through the end of the fiscal year Other Revenue will be in excess of the budget by approximately 2.1 million dollars.

Total Operating Revenue at the end of the fiscal year may be below budget by approximately 34.7 million dollars.

### **Operating Expenses**

Operating Expenses at the end of September were below budget by 6.2% or \$53,957,018. This favorable expense performance was due to positive variances for Supplies, Purchased Services, and Utilities. Salaries and Employee Benefits were over the budget by relatively small amounts year to date.

#### **Salaries and Wages – (\$4,662,118 or 1.1%)**

Salaries and wages continue to exceed the budget at the end of September. The use of overtime and replacement time for the holiday in September contributed to this unfavorable variance. Overtime is being monitored by the System management and is used to fill staffing needs. There are a large number of staff positions that remain unfilled and these vacancies create the need to use overtime.

Stroger Hospital is over budget year to date for salaries and wages and Provident Hospital and Oak Forest Hospital are below budget.

#### **Benefits - (\$834,519 or .6%)**

The level of Benefit expense is directly related to salary and wage expense. Benefits for employees are over budget because salaries and wages are also in excess of budget.

**Supplies - \$20,197,413 or 16.4%**

Each of the System facilities supply expenses are below the budget year to date. The System is still using the accrual convention to measure supply expense based on the actual expenditures at the end of the period plus 40%.

**Purchased Services, Rental, and Other - \$36,563,402 or 29.1%**

The year to date level expenses for the System for this category continues to be significantly below the budget. The method used to estimate expense is the same for purchased services as is used for supplies.

**Utilities - \$2,692,841 or 15.3%**

The estimated System year to date expense for utilities in total is below the budget. The most favorable utility expense performance as compared to the budget is for Stroger Hospital. Expenses for utilities at Stroger are below the budget by \$2,437,500 or 19.2%. Oak Forest's utility expense is below the budget by \$356,143 or 11.9%. Provident Hospital's utility expense is in excess of the budget by \$100,801 or 5.4%.

**System Expenses per Adjusted Patient Day**

A comparison of year to date expenses per adjusted patient day to the budget is as follows:

<u>Institution</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Stroger	\$4,035.37	\$3,850.66	4.6%
Oak Forest	\$5,148.85	\$3,675.88	28.6%
Provident	\$5,221.59	\$3,841.36	26.4%

**Non Operating Revenue**

Non operating revenue at the end of September was below budget by 8% or \$34,347,328. The largest shortfall from budget is for

sales tax. It is still expected that the receipts for sales tax will increase in October and November. The increased receipts for the last two months of the fiscal year will be the result of the increase in the rate of sales tax that occurred on July 1, 2008. The actual receipts from the increase will begin to be recorded in the last two months of the fiscal year.

The decline in the level of cigarette tax revenue from the level expected in the budget is not expected to increase in the remaining two months of the fiscal year. The decline could be a combination of factors causing the reduced revenue such as fewer people are smokers, a decline in the population, and the poor economic conditions in Illinois.



11/21/2008 2:06 PM

**Cook County Health Facilities Fund of Illinois**  
**Statement of Revenues and Expenses vs. Budget - Modified Accrual Basis**  
**For Ten Months Ending September 30, 2008 (UNAUDITED)**

**John H. Stroger, Jr., Hospital of Cook County**

	<b>Total for the Ten Months Ending September 30, 2008</b>	<b>BUDGET</b>	<b>Difference Favorable (Unfavorable)</b>	<b>Difference as % of Budget</b>
<b><u>Operating revenue</u></b>				
Patient Service Revenue	\$ 162,064,713	\$ 184,931,050	\$ (22,866,337)	-12.4%
Inter-Governmental Transfers (IGT)	72,691,373	81,515,679	(8,824,306)	-10.8%
Total Patient Service Revenue	234,756,086	266,446,729	(31,690,643)	-11.9%
Other revenue	5,482,740	3,941,250	1,541,490	39.1%
<b>Total operating revenue</b>	<b>240,238,826</b>	<b>270,387,979</b>	<b>(30,149,153)</b>	<b>-11.2%</b>
<b><u>Operating expenses</u></b>				
Salaries and wages	299,634,064	294,254,632	(5,379,432)	-1.8%
Employee benefits	107,709,672	106,746,753	(962,918)	-0.9%
Supplies	81,719,934	94,021,582	12,301,648	13.1%
Purchased services, rental and other	60,472,849	85,164,936	24,691,987	29.0%
Depreciation*	32,495,236	32,495,236	-	0.0%
Utilities	10,278,605	12,716,105	2,437,500	19.2%
Services contributed by other County offices	2,516,307	2,516,307	-	0.0%
<b>Total operating expenses</b>	<b>594,826,766</b>	<b>627,915,550</b>	<b>33,088,784</b>	<b>5.3%</b>
<b>Operating Loss</b>	<b>(354,587,940)</b>	<b>(357,527,571)</b>	<b>2,939,631</b>	<b>-0.8%</b>
<b><u>Nonoperating revenue (expense)</u></b>				
Property taxes	85,443,052	86,524,584	(1,081,532)	-1.2%
Sales taxes	63,427,487	78,882,292	(15,454,804)	-19.6%
Cigarette taxes	78,439,804	86,891,250	(8,451,446)	-9.7%
Interest income	548,158	-	548,158	0.0%
Retirement plan contribution	54,075,174	54,075,174	-	0.0%
Working cash revenue	-	-	-	0.0%
Services contributed by other County Offices	2,516,307	2,516,307	-	0.0%
<b>Total nonoperating revenue</b>	<b>284,449,982</b>	<b>308,889,607</b>	<b>(24,439,625)</b>	<b>-7.9%</b>
Income (Loss) before other revenue, expenses, gains, losses and transfers	(70,137,959)	(48,637,965)	(21,499,994)	44.2%
Income (Loss) on disposal of fixed assets	-	-	-	0.0%
Capital Contributions	-	-	-	0.0%
<b>Change in net assets</b>	<b>\$ (70,137,959)</b>	<b>\$ (48,637,965)</b>	<b>\$ (21,499,994)</b>	<b>44.2%</b>

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**Cook County Health Facilities Fund of Illinois**  
**Statement of Revenues and Expenses vs. Budget - Modified Accrual Basis**  
**For Ten Months Ending September 30, 2008 (UNAUDITED)**

**Oak Forest Hospital of Cook County**

	<b>Total for the Ten Months Ending September 30, 2008</b>	<b>BUDGET</b>	<b>Difference Favorable (Unfavorable)</b>	<b>Difference as % of Budget</b>
<b><u>Operating revenue</u></b>				
Patient Service Revenue	\$ 29,578,376	\$ 28,060,470	\$ 1,517,906	5.4%
Inter-Governmental Transfers (IGT)	16,725,728	18,756,133	(2,030,405)	-10.8%
Total Patient Service Revenue	46,304,104	46,816,603	(512,499)	-1.1%
Other revenue	508,671	366,561	142,110	38.8%
<b>Total operating revenue</b>	<b>46,812,775</b>	<b>47,183,164</b>	<b>(370,389)</b>	<b>-0.8%</b>
<b><u>Operating expenses</u></b>				
Salaries and wages	59,415,946	59,803,735	387,789	0.6%
Employee benefits	21,625,586	21,695,001	69,414	0.3%
Supplies	10,716,827	14,637,996	3,921,169	26.8%
Purchased services, rental and other	11,880,804	18,446,176	6,565,372	35.6%
Depreciation	4,122,069	4,122,069	-	0.0%
Utilities	2,634,737	2,990,880	356,143	11.9%
Services contributed by other County offices	496,543	496,543	-	0.0%
<b>Total operating expenses</b>	<b>110,892,513</b>	<b>122,192,400</b>	<b>11,299,887</b>	<b>9.2%</b>
<b>Operating Loss</b>	<b>(64,079,738)</b>	<b>(75,009,236)</b>	<b>10,929,498</b>	<b>-14.6%</b>
<b><u>Nonoperating revenue (expense)</u></b>				
Property taxes	14,457,571	14,478,519	(20,948)	-0.1%
Sales taxes	10,732,394	13,199,703	(2,467,309)	-18.7%
Cigarette taxes	13,272,588	14,539,875	(1,267,287)	-8.7%
Interest income	103,058	-	103,058	0.0%
Retirement plan contribution	10,990,132	10,990,132	-	0.0%
Working cash revenue	-	-	-	0.0%
Services contributed by other County Offices	496,543	496,543	-	0.0%
<b>Total nonoperating revenue</b>	<b>50,062,285</b>	<b>53,704,771</b>	<b>(3,652,486)</b>	<b>-6.8%</b>
Income (Loss) before other revenue, expenses, gains, losses and transfers	(14,027,453)	(21,304,465)	7,277,012	-34.2%
Income (Loss) on disposal of fixed assets	-	-	0.0%	0.0%
Capital Contributions	-	-	-	-
<b>Change in net assets</b>	<b>\$ (14,027,453)</b>	<b>\$ (21,304,465)</b>	<b>\$ 7,277,012</b>	<b>-34.2%</b>

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**Cook County Health Facilities Fund of Illinois**  
**Statement of Revenues and Expenses vs. Budget - Modified Accrual Basis**  
**For Ten Months Ending September 30, 2008 (UNAUDITED)**

**Provident Hospital of Cook County**

	Total for the Ten Months Ending September 30, 2008	BUDGET	Difference Favorable (Unfavorable)	Difference as % of Budget
<b><u>Operating revenue</u></b>				
Patient Service Revenue	\$ 27,422,395	\$ 34,392,755	\$ (6,970,360)	-20.3%
Inter-Governmental Transfers (IGT)	13,581,598	15,230,325	(1,648,726)	-10.8%
Total Patient Service Revenue	41,003,993	49,623,080	(8,619,086)	-17.4%
Other revenue	438,922	399,417	39,506	9.9%
<b>Total operating revenue</b>	<b>41,442,915</b>	<b>50,022,496</b>	<b>(8,579,581)</b>	<b>-17.2%</b>
<b><u>Operating expenses</u></b>				
Salaries and wages	55,739,195	56,068,721	329,526	0.6%
Employee benefits	20,281,065	20,340,050	58,985	0.3%
Supplies	10,237,526	14,212,122	3,974,596	28.0%
Purchased services, rental and other	16,752,023	22,058,065	5,306,042	24.1%
Depreciation	3,068,589	3,068,589	-	0.0%
Utilities	1,957,382	1,856,561	(100,801)	-5.4%
Services contributed by other County offices	2,315,039	2,315,039	-	0.0%
<b>Total operating expenses</b>	<b>110,350,799</b>	<b>119,919,147</b>	<b>9,568,348</b>	<b>8.0%</b>
<b>Operating Loss</b>	<b>(68,907,884)</b>	<b>(69,896,651)</b>	<b>988,767</b>	<b>-1.4%</b>
<b><u>Nonoperating revenue (expense)</u></b>				
Property taxes	18,787,551	19,320,334	(532,783)	-2.8%
Sales taxes	13,946,738	17,613,864	(3,667,126)	-20.8%
Cigarette taxes	17,247,718	19,402,208	(2,154,490)	-11.1%
Interest income	99,182	-	99,182	0.0%
Retirement plan contribution	10,303,749	10,303,749	-	0.0%
Working cash revenue	-	-	-	0.0%
Services contributed by other County Offices	2,315,039	2,315,039	-	0.0%
<b>Total nonoperating revenue</b>	<b>62,699,978</b>	<b>68,955,195</b>	<b>(6,256,217)</b>	<b>-9.1%</b>
Income (Loss) before other revenue, expenses, gains, losses and transfers	(6,207,906)	(941,456)	(5,266,450)	559.4%
Income (Loss) on disposal of fixed assets	-	-	-	0.0%
Capital Contributions	-	-	-	0.0%
<b>Change in net assets</b>	<b>\$ (6,207,906)</b>	<b>\$ (941,456)</b>	<b>\$ (5,266,450)</b>	<b>559.4%</b>

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**Cook County Health Facilities Fund of Illinois**  
**Statement of Revenues and Expenses vs. Budget - Modified Accrual Basis**  
**For Ten Months Ending September 30, 2008 (UNAUDITED)**

**CONSOLIDATED**

	<b>Total for the Ten Months Ending September 30, 2008</b>	<b>BUDGET</b>	<b>Difference Favorable (Unfavorable)</b>	<b>Difference as % of Budget</b>
<b><u>Operating revenue</u></b>				
Patient Service Revenue	\$ 219,065,484	\$ 247,384,275	(28,318,791)	-11.4%
Inter-Governmental Transfers (IGT)	102,998,699	115,502,137	(12,503,438)	-10.8%
Total Patient Service Revenue	322,064,183	362,886,412	(40,822,229)	-11.2%
Other revenue	6,430,333	4,707,228	1,723,106	36.6%
<b>Total operating revenue</b>	<b>328,494,517</b>	<b>367,593,639</b>	<b>(39,099,123)</b>	<b>-10.6%</b>
<b><u>Operating expenses</u></b>				
Salaries and wages	414,789,206	410,127,088	(4,662,118)	-1.1%
Employee benefits	149,616,323	148,781,804	(834,519)	-0.6%
Supplies	102,674,288	122,871,700	20,197,413	16.4%
Purchased services, rental and other	89,105,776	125,669,178	36,563,402	29.1%
Depreciation	39,685,894	39,685,894	-	0.0%
Utilities	14,870,704	17,563,545	2,692,841	15.3%
Services contributed by other County offices	5,327,889	5,327,889	-	0.0%
<b>Total operating expenses</b>	<b>816,070,079</b>	<b>870,027,097</b>	<b>53,957,018</b>	<b>6.2%</b>
<b>Operating Loss</b>	<b>(487,575,562)</b>	<b>(502,433,458)</b>	<b>14,857,896</b>	<b>-3.0%</b>
<b><u>Nonoperating revenue (expense)</u></b>				
Property taxes	118,688,174	120,323,438	(1,635,263)	-1.4%
Sales taxes	88,106,620	109,695,858	(21,589,239)	-19.7%
Cigarette taxes	108,960,109	120,833,333	(11,873,224)	-9.8%
Interest income	750,397	-	750,397	0.0%
Retirement plan contribution	75,369,055	75,369,055	-	0.0%
Working cash revenue	-	-	-	0.0%
Services contributed by other County Offices	5,327,889	5,327,889	-	0.0%
<b>Total nonoperating revenue</b>	<b>397,202,244</b>	<b>431,549,573</b>	<b>(34,347,328)</b>	<b>-8.0%</b>
Income (Loss) before other revenue, expenses, gains, losses and transfers	(90,373,317)	(70,883,885)	(19,489,432)	27.5%
Income (Loss) on disposal of fixed assets	-	-	-	0.0%
Capital Contributions	-	-	-	0.0%
<b>Change in net assets</b>	<b>\$ (90,373,317)</b>	<b>\$ (70,883,885)</b>	<b>\$ (19,489,432)</b>	<b>27.5%</b>

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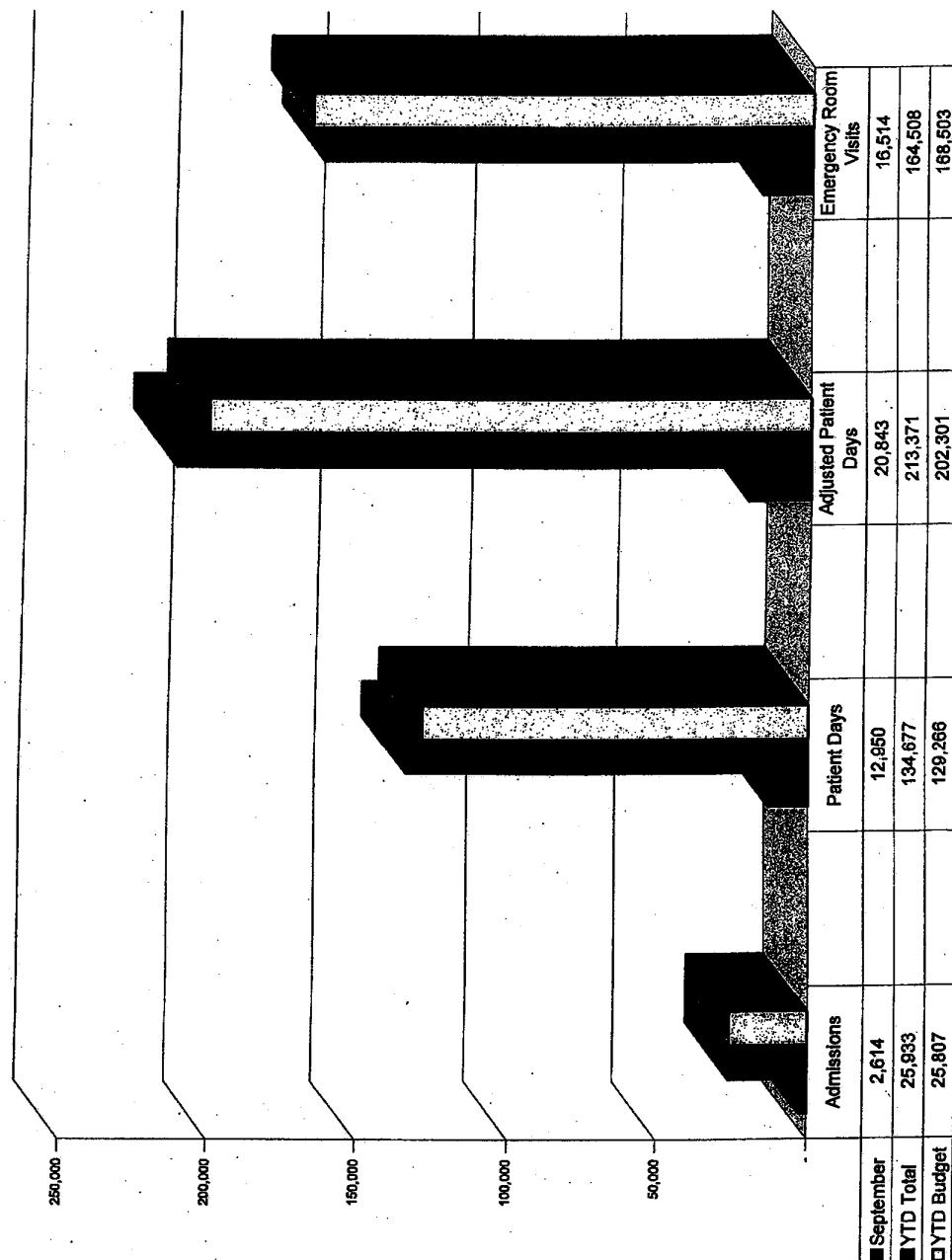
**Combining Statement of Revenues, Expenses,  
and Changes in Net Assets of Operating Accounts - Modified Accrual Basis  
For Ten Months Ending September 30, 2008 (UNAUDITED)**

**COMBINED**

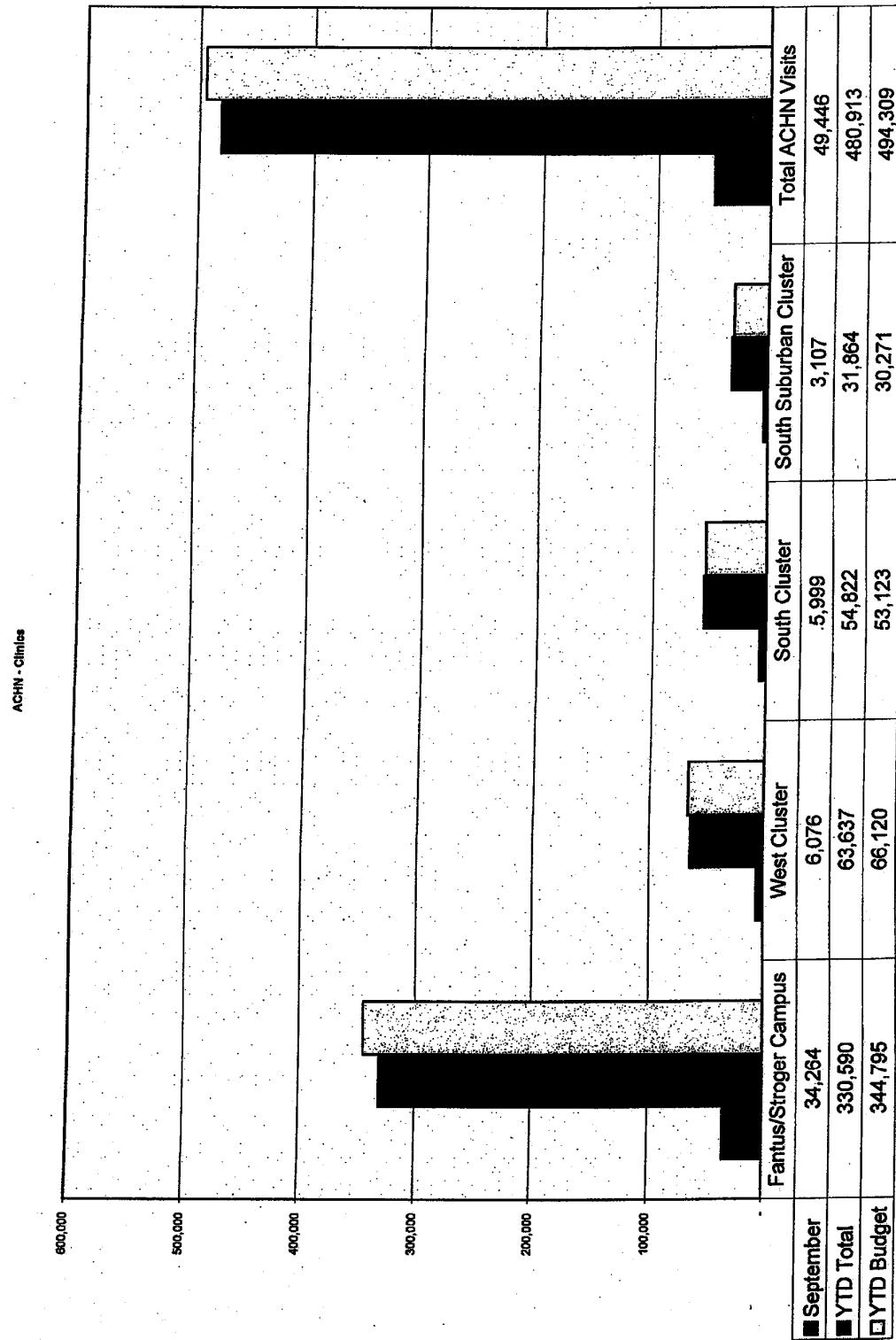
	John H. Stroger, Jr Hospital	Oak Forest Hospital	Provident Hospital	Total
<b><u>Operating revenue</u></b>				
Patient Service Revenue	\$ 162,064,713	\$ 28,578,376	\$ 27,422,395	\$ 219,065,484
Inter-Governmental Transfers (IGT)	72,691,373	16,725,728	13,581,598.20	102,988,699
Total Patient Service Revenue	234,756,086	46,304,104	41,003,993	322,064,183
Other revenue	5,482,740	508,671	438,922.23	6,430,333
<b>Total operating revenue</b>	<b>240,238,826</b>	<b>46,812,775</b>	<b>41,442,915</b>	<b>328,494,517</b>
<b><u>Operating expenses</u></b>				
Salaries and wages	299,634,064	59,415,946	55,739,195	414,789,206
Employee benefits	107,709,672	21,625,586	20,281,065	149,616,323
Supplies	81,719,934	10,716,827	10,237,526	102,674,288
Purchased services, rental and other	60,472,949	11,880,804	16,752,023	89,105,776
Depreciation	32,495,236	4,122,069	3,068,589	39,685,894
Utilities	10,278,605	2,634,737	1,957,362	14,870,704
Services contributed by other County offices	2,516,307	496,543	2,315,039	5,327,889
<b>Total operating expenses</b>	<b>594,826,766</b>	<b>110,892,513</b>	<b>110,350,799</b>	<b>816,070,079</b>
Operating Loss	(354,587,940)	(64,079,738)	(68,907,884)	(487,675,562)
<b><u>Nonoperating revenue (expense)</u></b>				
Property taxes	85,443,052	14,457,571	18,787,551	118,688,174
Sales taxes	63,427,487	10,732,394	13,946,738	88,106,620
Cigarette taxes	78,439,804	13,272,588	17,247,718	108,960,109
Interest income	548,158	103,058	99,182	750,397
Retirement plan contribution	54,075,174	10,890,132	10,303,749	75,369,055
Working cash revenue				
Services contributed by other County offices	2,516,307	496,543	2,315,039	5,327,889
<b>Total nonoperating revenue</b>	<b>284,449,982</b>	<b>50,052,285</b>	<b>62,699,978</b>	<b>397,202,244</b>
Income (Loss) before other revenue, expenses, gains, losses and transfers	(70,137,959)	(14,027,453)	(6,207,906)	(90,373,317)
Income (Loss) on disposal of fixed assets				
Capital contributions				
Change in net assets	<b>\$ (70,137,959)</b>	<b>\$ (14,027,453)</b>	<b>\$ (6,207,906)</b>	<b>\$ (90,373,317)</b>

Cook County Health and Hospitals System  
Utilization Factors YTD September 2008

System Hospitals Combined



Cook County Health Hospital System  
Utilization Factors YTD September 2008



**Cook County Health & Hospitals System**  
**Utilization Factors**

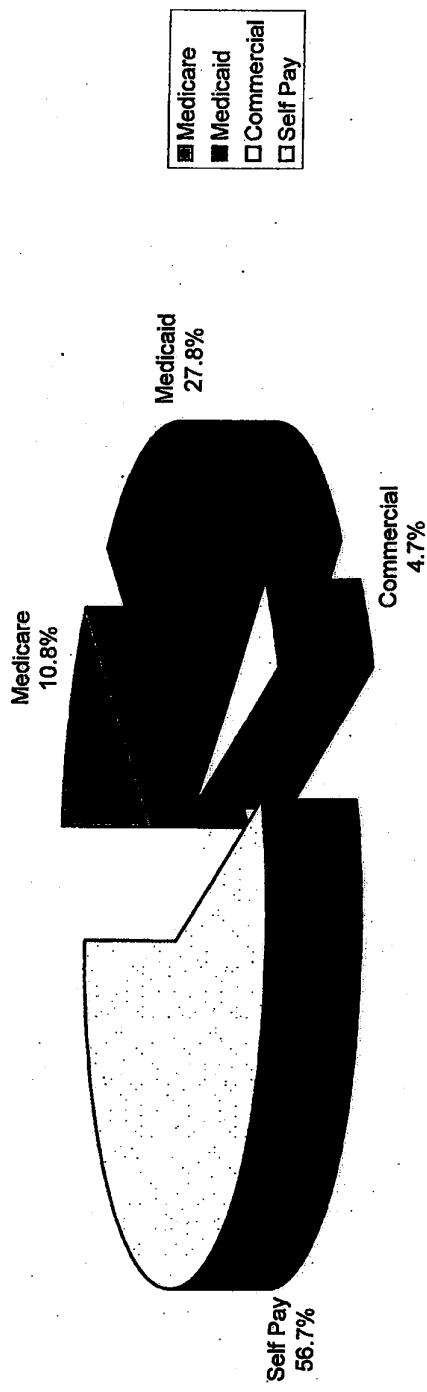
<u>J.H. Stroger Hospital</u>	September	YTD Total	YTD Budget	YTD Variance	% Variance
Admissions	1,939	19,351	19,377	(26)	-0.1%
Patient days	9,321	96,431	94,948	1,483	1.6%
Adjusted Patient Days	15,135	154,474	155,603	(1,129)	-0.7%
Emergency Room Visits	10,702	107,324	108,024	(700)	-0.6%
FTE's per Adjustued Occupied Bed**	9	9	8	0	3.6%
Case Mix Index	1	1	n/a		
Average Length of Stay	5	5	5	0	4.1%
<u>Provident Hospital</u>					
Admissions	419	4,268	4,552	(284)	-6.2%
Patient days	1,727	17,242	17,276	(34)	-0.2%
Adjusted Patient Days	2,814	28,727	22,966	5,761	25.1%
Emergency Room Visits	3,270	33,331	36,302	(2,971)	-8.2%
FTE's per Adjusted Occupied Bed**	7	7	10	(3)	-27.7%
Case Mix Index	1	1	n/a		
Average Length of Stay	4	4	4	0	5.5%
<u>Oak Forest Hospital</u>					
Admissions	256	2,314	1,878	436	23.2%
Patient days	1,902	21,004	17,042	3,962	23.2%
Adjusted Patient Days	2,894	30,170	23,732	6,438	27.1%
Emergency Room Visits	2,542	23,853	24,177	(324)	-1.3%
FTE's per Adjusted Occupied Bed**	11	11	14	(4)	-25.5%
Case Mix Index	1	1	n/a		
Average Length of Stay - Acute	5	7	8	(1)	-12.7%
Average Length of Stay - Rehab	16	15	16	(1)	-6.2%
<u>Total System</u>					
Admissions	2,614	25,933	25,807	126	0.5%
Patient Days	12,950	134,677	129,266	5,411	4.2%
Adjusted Patient Days	20,843	213,371	202,301	11,070	5.5%
Emergency Room Visits	16,514	164,508	168,603	(3,995)	-2.4%

\*\*Attending Physicians were included in Adjusted Occupied bed until the end of March

**Cook County Health & Hospitals System**  
**ACHN - Clinics**

Fantus/Stroger Campus	34,264	330,590	344,795	(14,205)	-4.1%
West Cluster	6,076	63,637	66,120	(2,483)	-3.8%
South Cluster	5,999	54,822	53,123	1,699	3.2%
South Suburban Cluster	3,107	31,864	30,271	1,593	5.3%
<b>Total ACHN Visits</b>	<b>49,446</b>	<b>480,913</b>	<b>494,309</b>	<b>(13,396)</b>	<b>-2.7%</b>

**September YTD Payer Mix Comparison Cook County Health & Hospitals System Combined  
IP/OP**



Cook County Health and Hospitals System						
Top Ten DRG's for Each Facility September 2008						
Rank	Facility	DRG	Admits	Avg Days	ALOS	MIC/ALOS
1	John H. Stroger Hospital	392	53	122	2.3	2.8
2	Red Blood Cell disorders w/o MCC	812	43	99	2.3	2.8
3	Vaginal Delivery w/o complicating diagnoses	775	38	128	3.4	2.1
4	Bronchitis & Asthma w/o CC/MCC	203	34	66	1.9	2.9
5	Cellulitis w/o MCC	603	32	99	3.1	3.9
6	Chest Pain	313	30	50	1.7	1.7
7	Uterine adnexa proc for non-malignancy w/o CC/MCC	743	27	113	4.2	2.1
8	Renal Failure w MCC	682	26	112	4.3	5.3
9	Alcohol/drug abuse or dependence w/o rehabilitation therapy w/o MCC	897	26	105	4.0	3.3
10	Heart Failure & Shock w/o CC/MCC	293	24	88	3.7	3.1
1	John H. Stroger Hospital	DRG	Admits	Avg Days	ALOS	MIC/ALOS
1	Cellulitis w/o MCC	603	21	78	3.7	3.9
2	Chest Pain	313	19	45	2.4	1.7
3	Esophagitis, Gastroent & Misc digestive disorders w/o MCC	392	13	37	2.9	2.8
4	Heart Failure & Shock w CC	292	9	36	4.0	4.1
5	Cardiac Arrhythmia & Conduction disorders w/o CC/MCC	310	8	29	3.6	2.3
6	Cranial & periphal nerve disorders w/o MCC	74	6	30	5.0	3.4
7	Heart Failure & Shock w/o CC/MCC	293	5	14	2.8	3.1
8	Diabetes w/o CC/MCC	639	5	12	2.4	2.5
9	Nutritional & Misc Metabolic Disorders w/o MCC	641	5	11	2.2	3.1
10	Kidney & Urinary track infections	690	5	12	2.4	3.6
1	John H. Stroger Hospital	DRG	Admits	Avg Days	ALOS	MIC/ALOS
1	Chest Pain	313	30	83	2.8	1.7
2	Heart Failure & Shock w CC	292	22	125	5.7	4.1
3	Heart Failure & Shock w/o CC/MCC	293	20	56	2.8	3.1
4	Vaginal Delivery w/o complicating diagnoses	775	20	50	2.5	2.1
5	Heart Failure & Shock w MCC	291	16	61	4.4	5.1
6	Simple Pneumonia & Pleurisy w CC	194	14	55	5.0	4.5
7	Simple Pneumonia & Pleurisy w/o CC/MCC	195	11	26	2.6	3.5
8	Poisoning & toxic-effects of drugs w/o MCC	918	10	17	1.7	2.1
9	Bronchitis & asthma w/o CC/MCC	203	10	16	2.0	2.9
10	Cellulitis w/o MCC	603	16	35	4.4	3.9

**CCHHS**  
**Analysis of Vendor Performance**  
*6/1/08, to 6/30/08*

		Aug-08			Sep-08			Total			Grand Totals	
		GLM	HRM	CEA	GLM	HRM	CEA	GLM	HRM	CEA	ESI	
<b>John H. Stroger Hospital</b>												
Referred		257	148	349	249	250	207	421	274	507	355	770
Approved		24	24	227	25	47	33	206	34	71	57	453
Percentage Approved	95%	18%	65%	10%	19%	16%	49%	12%	14%	16%	68%	59
<b>Provident Hospital</b>												
Referred		72	29	83	69	39		46	141	68	0	129
Approved		32	25	14	20	17		16	52	42	0	30
Percentage Approved	44%	86%		17%	28%	44%		35%	37%	62%		32%
<b>Oak Forest Hospital</b>												
Referred		41	18	49	27	36		29	68	54	0	78
Approved		6	3	6	11	0		11	17	3	0	200
Percentage Approved	15%	17%		12%	41%	0%		38%	25%	5%		17
<b>Total Referred</b>		370	195	349	381	346	282	421	349	716	477	770
<b>Total Approved</b>		62	52	52	46	78	50	206	61	140	102	433
<b>Total Percentage Approved</b>	17%	27%	65%	12%	23%	18%	49%	17%	20%	21%	16%	781

Analysis does not include GLM's 2432 activity

Cook County Health and Hospitals System  
Report of the Meeting of the Finance Committee  
December 12, 2008

ATTACHMENT #1

**COOK COUNTY HEALTH AND HOSPITALS SYSTEM**  
**Request for Grant Approval**

**Date:** December 5, 2008

**Sponsor:** Lynda Brodsky, MPH  
Director of Research and Development

**Operating Unit:** CCHHS

**Description of Services:**  
Requesting authorization to renew Illinois Perinatal Program  
In the amount of \$56,035.00 from the Illinois Department of  
Public Health.

**Justification for This Contract:**  
This grant is to provide perinatal services to reduce perinatal  
morbidity in low birth weight infants. **The grant does not require  
an application process; the funding is automatically renewed.  
The funding is already there, CCHHS Board needs to  
approve this Grant.**

**Cost of Contract And Terms:**  
Grant Award: \$56,035.00  
Funding Period: July 1, 2008 thru June 30, 2009

**Budget Info:**  
The Budget Department has reviewed this item, and all  
requisite documents have been submitted.

**Signatures:**

Operating Unit CFO

Deb Pelt

CCHHS Director of  
Purchasing

CCHHS CEO

Jay Pelt

## AS AMENDED

**COOK COUNTY HEALTH AND HOSPITALS SYSTEM**  
**Request for Grant Approval**

**Date:** December 5, 2008

**Sponsor:** Lynda Brodsky, MPH  
 Director of Research and Development

**Operating Unit:** Department of Human Services, CCHHS

**Description of Services:** Requesting authorization to renew the following grants from the Illinois Department of Public Health: Family Planning Services in the amount of \$766,000.00 and Supplemental Nutrition Program in the amount of \$551,300.00.

**Justification for This Contract:** Family Planning Services affords women the opportunity to voluntarily choose a method of birth control and Supplemental Nutrition Program is for women, infants, and children (WIC) and will provide health screening, supplemental food certification, food prescription and nutrition counseling services. These grants do not require an application process; the funding is automatically renewed. The funding is already there, CCHHS Board needs to approve these Grants.

**Cost of Contract And Terms:** Grant Award: Family Planning: \$766,000.00; Supplemental Nutrition Program: \$551,300.00  
 Funding Period: July 1, 2008 thru June 30, 2009

**Budget Info:** The Budget Department has reviewed this item, and all requisite documents have been submitted.

**Signatures:**

Operating Unit CFO

Leb. Cal

CCHHS Director of Purchasing

CCHHS CEO

Joseph J. St. John

2,3

## AS AMENDED

### COOK COUNTY HEALTH AND HOSPITALS SYSTEM Request for Grant Approval

**Date:** December 5, 2008

**Sponsor:** Lynda Brodsky, MPH  
 Director of Research and Development

**Operating Unit:** Department of Health and Human Services, CCHHS

**Description of Services:** Requesting authorization to renew Black Lung Grant in the amount of \$237,291.00 with the Department of Health and Human Services.

**Justification for This Contract:** This grant provides a comprehensive program of services in Pulmonary Medicine for the citizens of Cook County particularly those with limited financial resources. The grant does not require an application process; the funding is automatically renewed. The funding is already there, CCHHS Board needs to approve this Grant.

**Cost of Contract And Terms:** Grant Award: \$237,291.00  
 Funding Period: July 1, 2008 thru June 30, 2009

**Budget Info:** The Budget Department has reviewed this item, and all requisite documents have been submitted.

**Signatures:**

Operating Unit CFO

Debbie

CCHHS Director of Purchasing

Joseph S. L.

CCHHS CEO

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**COOK COUNTY HEALTH AND HOSPITALS SYSTEM**  
**Request for Grant Approval**

**Date:** December 5, 2008

**Sponsor:** Lynda Brodsky, MPH  
Director of Research and Development

**Operating Unit:** CCHHS

**Description of Services:** Requesting authorization to renew **Maternal Child Health**  
In the amount of **\$18,841.00** from **Great Lakes Hemophilia Foundation.**

**Justification for This Contract:** This grant provides comprehensive diagnostic care and treatment to persons with hemophilia and other related blood clotting disorders. **The grant does not require an application process; the funding is automatically renewed. The funding is already there, CCHHS Board needs to approve this Grant.**

**Cost of Contract And Terms:** Grant Award: **\$18,841.00**  
Funding Period: July 1, 2008 thru May 31, 2009

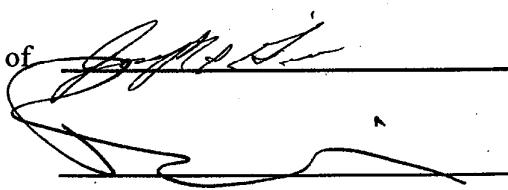
**Budget Info:** The Budget Department has reviewed this item, and all requisite documents have been submitted.

**Signatures:**

Operating Unit CFO



CCHHS Director of Purchasing



CCHHS CEO

## Cook County Health and Hospitals System

### Contract Item for Board Approval Execute Contract

**Date:** 10/30/08  
**Sponsor:** Sylvia Edwards, R.N., M.B.A.  
Chief Operating Officer  
**Operating Unit:** Oak Forest Hospital of Cook County

**Description of Service:** Requesting to execute Contract No. 08-41-358 for the Cooperative Educational Master Agreement between Cook County Health and Hospital System and its Oak Forest Hospital and Weiss Memorial Hospital. This agreement covers the three year Podiatry Residency Program between Oak Forest Hospital and Weiss Memorial Hospital.

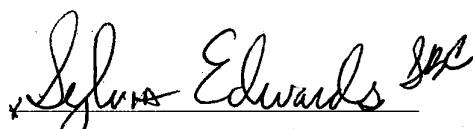
**Justification for this contract:** The Podiatry Residents will do their clinical rotation at Oak Forest Hospital for the first year, the second and third year rotations will be at Weiss Memorial Hospital. Contract period: July 1, 2008 through June 30, 2016. The agreement was approved by the Cook County Health and Hospital Systems Board on October 3, 2008.

**Cost of the contract and terms:** No fiscal impact

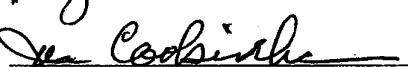
**Budget information:** No fiscal impact

**Signatures:**

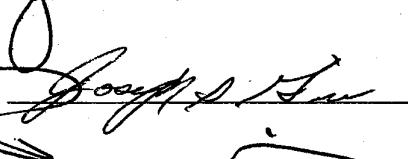
Sponsor



Operating Unit CFO



CCHHS Director of Purchasing



CCHHS CEO

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## Cook County Department of Public Health

### Cook County Health & Hospitals System

(formerly Cook County Bureau of Health Services)

**Todd H. Stroger** • President  
Cook County Board of Commissioners

**Warren L. Batts** • Chairman  
Cook County Health & Hospitals System

**Jorge Ramirez** • Vice Chairman  
Cook County Health & Hospitals System

**David R. Small, FACHE** • Interim CEO  
Cook County Health & Hospitals System

#### Health System Board Members

Dr. David A. Ansell  
Commissioner Jerry Butler  
David N. Carvalho  
Quin R. Golden  
Benn Greenspan  
Sr. Sheila Lyne  
Dr. Luis R. Muñoz  
Heather E. O'Donnell  
Andrea L. Zopp

1010 Lake Street, Suite 300  
Oak Park, Illinois 60301

Telephone (708) 492-2000  
TDD (708) 492-2002

**Stephen A. Martin, Jr., Ph.D., M.P.H.**  
Chief Operating Officer

December 3, 2008

David Carvalho, Esq.  
Chair, Finance Committee  
Cook County Health and Hospitals System Board  
118 N. Clark Street  
Chicago, Illinois 60602

Re: Request for Approval  
Lease, Thornton Township High School District 205

Dear Mr. Carvalho:

It is respectfully requested that the attached lease be placed on the agenda of the Finance Committee of the Cook County Health and Hospitals System Board. It is further requested that authorization be extended to the undersigned to enter into the subject lease.

This lease provides for the use, at no cost to the County, of premises at the Thornton Township High School approximately two times per month in order to conduct classes for teen parents pursuant to the Subsequent Pregnancy Prevention Program. The Cook County Department of Public Health has entered into annual leases that have been virtually identical to this document for a number of years. Authorization to enter into the most recent iteration of this lease was previously obtained from the Cook County Board of Commissioners.

The Department has informed Mr. Raymond Muldoon, Director of Real Estate Management, of the proposed lease and he has confirmed that he has no objection to the arrangement. The lease contains provisions which impose responsibility upon the County for liability resulting from the use of the premises and require that we submit satisfactory evidence of insurance relative to our use of the premises. Upon securing the Finance Committee's authorization, we will request this documentation from the County's Department of Risk Management.

Thank you for your consideration.

Very truly yours,  
  
**Stephen A. Martin, Jr., Ph.D.**  
Chief Operating Officer

Encl.

Cc: David Small, Interim Chief Executive Officer  
Cook County Health and Hospitals System

## CONTRACT FOR RENTAL OF SCHOOL FACILITY

ORGANIZATION OR GROUP (LESSEE) Marcia McCullough

LESSOR

0714

NAME Cook County Department of Public Health

ADDRESS 16501 S. Kedzie Parkway, Room 245

THORNTON TOWNSHIP HIGH SCHOOLS

HIGH SCHOOL DISTRICT 205

HARVEY, ILLINOIS 60426

CITY Markham, IL 60428

PHONE 708-210-4512

RESERVATION SITE	<input checked="" type="checkbox"/> THORNTON	<input type="checkbox"/> THORNRIDGE	<input type="checkbox"/> THORNWOOD	The right is reserved by the school district to cancel this use authorization at any time the school administration determines it is not in the best interest of the school district to rent the facility.	
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RESERVATION FACILITY	<input type="checkbox"/> GYM	<input type="checkbox"/> SWIMMING POOL	<input type="checkbox"/> CAFETERIA	<input type="checkbox"/> AUDITORIUM	<input checked="" type="checkbox"/> OTHER	Infant Care Center
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DATE(S), GIVE ALTERNATES	Please See Below			TIME	FROM: 3:00 p.m. TO 5:00 p.m.	EXPECTED ATTENDANCE
--------------------------	------------------	--	--	------	------------------------------	---------------------

PURPOSE FOR WHICH FACILITY IS TO BE USED.	9/23, 10/7, 10/21, 11/4, 11/18, 12/2, 12/16, 1/13, 1/27, 2/10, 2/24, 3/10, 3/24, 4/7, 4/21, 5/5, 5/19, 6/9					
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SPECIAL EQUIPMENT NEEDED						
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SIGN PROVISION	<input type="checkbox"/> I	<input checked="" type="checkbox"/> BOTH I AND II	IS A CERTIFICATE OF INSURANCE REQUIRED?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	IF YES, DATE RECEIVED
----------------	----------------------------	---	---	---	-----------------------------	-----------------------

I The organization listed above has duly authorized its undersigned representative to enter into financial agreement, and agrees to pay the fees listed below plus any cost to repair, replace or re-build any portion of the district's building, equipment therein or site improvements at the location of the building which may be damaged or destroyed by the action of any person on the premises due to the renter's use of the facility which exceeds the amount actually received by the district from insurance coverage.

Please Sign Here 

II The undersigned representative agrees to defend, indemnify and hold Thornton Township High Schools District 205, the board of education thereof, the members of the board of education as individuals, and the employees of the school district free and harmless of any and all liability, costs and expenses (including attorneys' fees and costs) related in any way to threatened or actual court proceedings, law suits and damages involving injury to or death of any person or persons whomsoever, caused by, connected with or arising directly or indirectly wholly or in part, from any use or operation of the school premises resulting in any manner from the use authorization granted by the board of education.

Please Sign Here 

CLASSIFICATION RATE	ESTIMATED CHARGES			LISTED HERE ARE ESTIMATED CHARGES ONLY. YOU WILL BE BILLED FOR THE ACTUAL CHARGES.	
	RATE	MEN	HOURS		
FACILITY RATE	<b>N/C</b>				
FACILITY OVERTIME PRO RATE (IF ANY)					
CUSTODIAN					
STAGE SUPERVISOR PER 4 HR. MIN.					
THEATRE TECHNICIANS					
POLICEMEN					
FIREMEN					
EQUIPMENT CHARGE (IF ANY)					
THE NUMBER OF MEN REQUIRED FOR THIS EVENT WILL BE DETERMINED BY THE DIRECTOR OF BLDG. AND GROUNDS.	DEPOSIT (50% of EST. CHARGES)			<b>N/C</b>	
DIRECTOR OF BLDG. AND GROUNDS	DATE				

ENTERED ON THE ..... DAY OF ..... 2008

FOR THE ORGANIZATION

*Marcia McCullough*

AUTHORIZED SIGNATURE

POSITION OR OFFICE

FOR DISTRICT 205

72

**COOK COUNTY HEALTH AND HOSPITAL SYSTEM**  
**Request for Payment Only**

Date: December 3, 2008

Sponsor: Richard Keen, M.D., F.A.C.S., Chairman of Surgical Services  
 John H. Stroger Jr. Hospital of Cook County

Operating Unit: Cook County Health & Hospitals System

Description of Services: Requested payment for the use of implants from the vendors listed below

Vendor	Address	Amount Requested
Stryker Instruments	Kalamazoo MI 49001	\$89,713.00
Abbott	Chicago, IL 60675	\$1,764.00
Acumed LLC	Chicago, IL 60693	\$201,876.00
Allosource	Englewood Co 80150	\$113,415.00
Arthrex	Naples, FL 34108	\$31,637.00
Smith & Nephew	Philadelphia, PA 19178	\$203,791.00
Boston Scientific	Philadelphia, PA 19178	\$77,309.00
Depuy Spine	Chicago IL 60693	\$80,830.00
Depuy Orthopedics	Warsaw, IN 46581-0988	\$435,819.70
Biomet Inc	South bend, IN 46634	\$15,468.00
Ethicon	Cincinnati OH 45242	\$20,714.00
Zimmer U.S. Inc.	Chicago IL 60693	\$1,158.00

Justification for The implants were used for the treatment of necessary orthopedic surgery. The Request for Proposal (RFP) process was started by the Department of Surgery in November of 2007 as a method to decrease the total number of orthopedic vendors and decrease the cost of implants per case. We expect this endeavor to result in price concessions of at least 40% from each vendor. The RFP # 08-50-1009P for orthopedic implant trays was issued by the Bureau of

Health Services on January 29, 2008 with Cook County Board approval for \$6,673,425.00 for the total RFP. This process has proven to be inordinately long with no purchase orders issued to date. A lack of these implants would result in closing the orthopedic service and trauma by- pass for John H. Stroger Jr. Hospital.

Cost of Contract And Terms: Payment requested: \$1,273,494.70

Budget Info: Fiscal Impact: \$1,273,494.70  
Budget A/C: 531210

Signatures:

Sponsor

R.inken/KEEN 12-3-08

Operating Unit CFO

R. A. Cet

JSH COO

J. H. B

CCHHS Director of Purchasing

G. C. Duffey

CCHHS CEO

## AS AMENDED

**COOK COUNTY HEALTH AND HOSPITALS SYSTEM**  
**Request To Extend & Increase Dollar Amount of Existing Contracts**

**Date:** December 5, 2008

**Sponsor:**  
 Antoinette Williams  
 Associate Director  
 Department of Nursing

**Operating Unit:** CCHHS

**Description of Services:**  
 Direct Medstaff Nursing, Inc., Gareda Diversified Business Sv., Integrity Nursing Network, Inc., LMR Nursing Services, Inc., and Professional Nursing, Inc. for the provision of Nurse Staffing.

**Justification for This Contract:**  
 The Nursing Commercial Registry Contract for 03/01/08 thru 02/28/09 was awarded in the sum of 1.8 million dollars. Nursing resources are provided to Perioperative, Emergency Services, Employee Health Services, Diagnostic/Specialty Services, Medical Surgical Nursing and Critical Care Nursing. The amount allocated for the '08 contract is significantly less than the '07 budget of 2.75 million dollars. Also the number of vacancies and number of under budgeted positions remain high. Thus the need for additional dollars is critical to maintain current level of services. Therefore I am requesting additional monies to be placed in the following contracts to meet our current and projected needs for the remainder of the '08 contract.

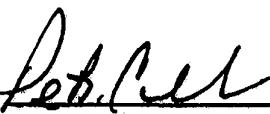
<b><u>Cost of Contract And Terms:</u></b>			<b>Increased Amount</b>
Contract No.08-41-199	Direct Medstaff Nursing, Inc.		\$354,000.00
08-41-148	Gareda Diversified Business Services		\$147,000.00
08-41-151	Integrity Nursing Network, Inc.		\$136,000.00
08-41-139	LMR Nursing Services, Inc.		\$70,000.00
08-41-140	Professional Nursing, Inc.		\$180,000.00

Extended Date: 03/01/2008 thru 02/28/09

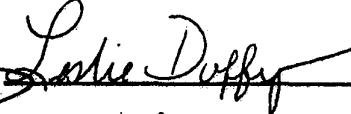
9

**AS AMENDED****Budget Info:****Fiscal Impact: \$887,000.00****Budget Acct. No. 897/155****Requisition # 88970005****88970002****88970004****88970000****88970006****Signatures:**

Operating Unit CFO



CCHHS Director of Purchasing



CCHHS CEO


## Cook County Health and Hospitals System

### Contract Item for Board Approval

#### Contract Extension

**Date:** 11/18/08

**Sponsor:** Sylvia Edwards  
Chief Operating Officer

**Operating Unit:** Oak Forest Hospital of Cook County

**Description of Service:** The Contract No. 06-45-518 with Nellcor Puritan Bennett, 5931 Priestly Drive Suite 100, Carlsbad CA 92008, is for the provision of respiratory therapy ventilator repair parts for the maintenance of the Nellcor Puritan Bennett 7200 and 840 Ventilators at Oak Forest Hospital.

**Justification for this contract:** Nellcor Puritan Bennett is the manufacturer of these products and the sole source for the repair parts needed to maintain these life-support ventilators.

**Cost of the contract and terms:** This request is necessary to expend the existing funds on the contract. The extension period needed is from 8/1/08 thru 3/31/09. The contract expired 7/31/08.

**Budget information:** No fiscal impact. Account 898-442

**Signatures:**

Sponsor COO

Sylvia Edwards

Operating Unit CFO

J. Cooksinham

CCHHS Director of Purchasing

Joseph S.

CCHHS CEO

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**COOK COUNTY HEALTH AND HOSPITALS SYSTEM**  
**Request for Extension**

**Date:** December 3, 2008

**Sponsor:** Julie Bonello,  
Chief Information Officer

**Operating Unit:** Cook County Health and Hospitals System/Health Information Systems

**Description of Services:** Requesting to extend contract no. 06-84-210R with Tallgrass Systems, Ltd., 9501 W. 144<sup>th</sup> Place, Ste. 100, Orland Park, IL 60462 for the provision of Lexmark, toner cartridges for the Cook County Health Hospitals System.

**Justification for this Contract:** This request is to allow sufficient time for the evaluation, award, and implementation of a new contract. This request is necessary for the uninterrupted delivery of Lexmark cartridges for facilities in the Cook County Health and Hospitals System. Lexmark cartridges are used in all our printers in clinical areas across the Cook County Health and Hospitals System.

**Cost of the Increase and Terms:** The extension period is from 01/10/09 thru 03/09/09.

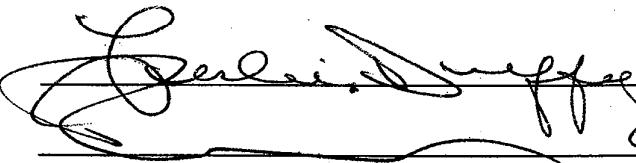
**Budget Information:** The cost for this contract has been provided for within the current operating budget for the Cook County Health and Hospitals System.  
Account: 388  
Requisition No. \_\_\_\_\_

**Signatures:**  
Sponsor

Operating Unit CFO

CCHHS Director  
of Purchasing

CCHHS COO

## Cook County Health and Hospitals System

### Contract Item for Board Approval Contract Extension

Date: November 10, 2008

Sponsor: Sidney A. Thomas  
Chief Operating Officer

Operating Unit: Provident Hospital of Cook County

Description of Service: This request is to extend CC 07-45-448 from 11/30/08 to 2/28/09 for temporary radiologist services with Nighthawk Radiology Services, LLC, Coeur d' Alene, ID.

Justification for this contract: Approval of this request will allow us to use the remaining money to provide services until the execution and implementation of a new contract for which a Request for Proposal (RFP) has been issued.

Cost of the contract and terms: This original contract was authorized by the Cook County Board on 5/15/07 in the amount of \$185,000.00.

Budget information: Sufficient funds are available to meet the requested extension period of this contract in Account 272.

Signatures:

Sponsor

Sidney A. Thomas

Operating Unit CFO

Dorothy Ladwig

CCHHS Director  
of Purchasing

Joseph S. S.

CCHHS CEO

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## AS AMENDED

**COOK COUNTY HEALTH AND HOSPITALS SYSTEM**  
**Request To Extend & Increase Dollar Amount of Existing Contract**

**Date:** December 5, 2008

**Sponsor:** Joanne Dulski  
 System-Wide Administrator  
 Director of Laboratories

**Operating Unit:** Department of Pathology, CCHHS

**Description of Services:** Northwestern Pharmaceutical & Supply Inc. (7301 N Lincoln Ave. Ste 196 Lincolnwood, IL 60712) for the purchase of Reagent Rental, Calibrators, Controls and Consumables.

**Corporation**

**Justification for This Contract:** To fill anticipated needs of the using department. The Circumstances which necessitate this change was not reasonably foreseeable at the time the contact was signed. Until the new contract is completed this contract needs to be extended and Increased.

**Cost of Contract And Terms:** Contract No. 04-72-693  
 Extended Dates: 11/30/08 thru 02/28/09  
 Increase Amount: \$120,000.00 \ 40,000.00 per month

**Budget Info:** Fiscal Impact: \$120,000.00  
 Budget Acct. No. 897/361  
 Requisition # 88970423

**Signatures:**

Operating Unit CFO

Let. Call

CCHHS Director of Purchasing

Joseph P. Soto

CCHHS CEO

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**COOK COUNTY HEALTH AND HOSPITALS SYSTEM**  
**Request To Extend & Increase Dollar Amount of Existing Contract**

**Date:** December 5, 2008

**Sponsor:** David Smith  
Business Manager

**Operating Unit:** Department of Radiology, CCHHS

**Description of Services:** LifeScan Chicago (2242 W. Harrison St. Ste 100A Chicago, IL 60612) for the provision of Positron Emission Tomography (PET Scanning).

**Justification for This Contract:** To fill anticipated needs of the using department. The Circumstances which necessitate this change was not reasonably foreseeable at the time the contact was signed. Until the new contract is completed this contract needs to be extended and Increased.

**Cost of Contract And Terms:** Contract No. 05-41-59  
Extended Dates: 11/30/08 thru 02/28/09  
Increase Amount: \$78,000.00

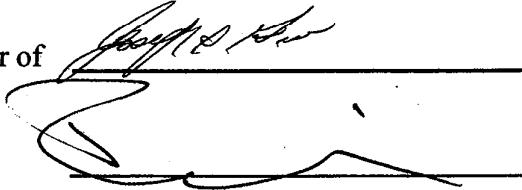
**Budget Info:** Fiscal Impact: \$78,000.00  
Budget Acct. No. 897/540  
Requisition # 88970085

**Signatures:**

Operating Unit CFO



CCHHS Director of Purchasing



CCHHS CEO

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**COOK COUNTY HEALTH AND HOSPITALS SYSTEM**  
**Request To Extend & Increase Dollar Amount of Existing Contract**

**Date:** December 5, 2008

**Sponsor:** Joanne Dulski  
System-Wide Administrator  
Director of Laboratories

**Operating Unit:** Department of Pathology, CCHHS

**Description of Services:** Progressive Industries Inc. (6133 N. Northwest Hwy Chicago, IL 60631) for the purchase of Pregnancy Kits.

**Justification for This Contract:** To fill anticipated needs of the using department. The Circumstances which necessitate this change was not reasonably foreseeable at the time the contact was signed. Until the new contract is completed this contract needs to be extended and Increased.

**Cost of Contract And Terms:** Contract No. 05-72-221  
Extended Dates: 10/17/08 thru 01/01/09  
Increase Amount: \$20,000.00 \ \$5,000 per month

**Budget Info:** Fiscal Impact: \$20,000.00  
Budget Acct. No. 897/361  
Requisition # 88970381

**Signatures:**

Operating Unit CFO

L.R. Cell

CCHHS Director of  
Purchasing

Joyce S. Stier

CCHHS CEO

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**COOK COUNTY HEALTH AND HOSPITALS SYSTEM**  
**Request To Extend & Increase Dollar Amount of Existing Contract**

**Date:** December 5, 2008

**Sponsor:** Joanne Dulski  
System-Wide Administrator  
Director of Laboratories

**Operating Unit:** Department of Pathology, CCHHS

**Description of Services:** Marstech Solutions Inc. (850 W. Jackson Blvd #650 Chicago, IL 60607) for the provision of Reagents, Controls, Calibrator and Consumables.

**Justification for This Contract:** To fill anticipated needs of the using department. The Circumstances which necessitate this change was not reasonably foreseeable at the time the contact was signed. Until the new contract is completed this contract needs to be extended and Increased.

**Cost of Contract And Terms:** Contract No. 05-73-232  
Extended Dates: 12/20/08 thru 04/30/09  
Increase Amount: \$100,000.00

**Budget Info:** Fiscal Impact: \$100,000.00  
Budget Acct. No. 897/360  
Requisition # 88970452

**Signatures:**

Operating Unit CFO

Leh. Col

CCHHS Director of Purchasing

Leslie Duffy

CCHHS CEO

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**COOK COUNTY HEALTH AND HOSPITALS SYSTEM**  
**Request To Extend & Increase Dollar Amount of Existing Contract**

**Date:** December 5, 2008

**Sponsor:** Joanne Dulski  
System-Wide Administrator  
Director of Laboratories

**Operating Unit:** Department of Pathology, CCHHS

**Description of Services:** Beckman Coulter Inc. (PO Box 169015 Miami, FL 33116)  
for the provision of Flow Cytometry Reagents and Supplies.

**Justification for This Contract:** To fill anticipated needs of the using department. The Circumstances which necessitate this change was not reasonably foreseeable at the time the contact was signed. Until the new contract is completed this contract needs to be extended and Increased.

**Cost of Contract And Terms:** Contract No. 05-73-269  
Extended Dates: 11/30/08 thru 02/28/09  
Increase Amount: \$ 100,000. ee

**Budget Info:** Fiscal Impact: \$ 100,000. ee  
Budget Acct. No. 897/360  
Requisition # 88970373

**Signatures:**

Operating Unit CFO

Re B. Call

CCHHS Director of Purchasing

Debbie Duffy

CCHHS CEO

## Cook County Health and Hospitals System

### Contract Item for Board Approval Extension and Increase

Date: 11/18/08

Sponsor: Sylvia Edwards  
Chief Operating Officer

Operating Unit: Oak Forest Hospital of Cook County

Description of Service:  
The Contract No. 07-72-372 with Automotive Tech Center, 435 W. Madison, Oak Park IL 60302, is for the provision of the maintenance and repair of all vehicles at Oak Forest Hospital.

Justification for this contract:  
This annual contract is necessary to repair and maintain the cargo vans, patient transport vehicles, dump trucks, utility vans, fire truck, rescue van and Public Safety patrol cars on the campus.

Cost of the contract and terms:  
This increase and extension is necessary until the award and implementation of a new contract. The extension period needed is from 11/16/08 thru 1/15/09. The contract expiration date is 11/15/08. The requested increase amount is \$5000.00.

Budget information: Fiscal impact \$5000.00. Account 898-444

#### Signatures:

Sponsor COO

Sylvia Edwards

Operating Unit CFO

Jan Coolin

CCHHS Director  
of Purchasing

Joseph D. Di

CCHHS CEO

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**COOK COUNTY HEALTH AND HOSPITALS SYSTEM**  
**Request to Enter Into, Award and Execute Contract**

**Date:** December 5, 2008

**Sponsor:** Gennadiy Voronov, M.D.  
Chairman  
Anesthesia

**Operating Unit:** Department of Anesthesiology and Pain Management, CCHHS

**Description of Services:** Draeger Medical Inc. (3135 Quarry Rd. Telford, PA 18969)  
for the provision of Anesthesia Machines and Integrated  
Anesthesia Critical Care Patient Monitors.

**Justification for This Contract:** The Cook County Health and Hospitals System is requesting to enter into a Sole Source Contract with Draeger Medical. Much of Stroger Hospital's inventory is approaching end-of-life in terms of usage and age. The request for sole source is based on compatibility with existing/new equipment, which is all from Draeger Medical.

**Cost of Contract And Terms:** Estimated Cost: \$1,516,476.00  
Contract Period: One Time Purchase

**Budget Info:** Fiscal Impact: \$1,516,476.00  
Requisition No. 88974104  
Budget Acct. No. 897/540

**Signatures:**

Operating Unit CFO

Det. C. M.

CCHHS Director of Purchasing

Joseph H. St. John

CCHHS CEO

John C. St. John

**COOK COUNTY HEALTH AND HOSPITALS SYSTEM**  
**Request to Enter Into, Award and Execute Contract**

**Date:** December 5, 2008

**Sponsor:** Russell F. Kelly, M.D.  
Chairman  
Adult Cardiology

**Operating Unit:** Department of Medicine, CCHHS

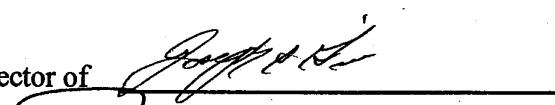
**Description of Services:** GE Healthcare (3200 N. Grandview Blvd. Mail Code WT-897 Waukesha, WI 53188) for the provision of Plasma Digital Storage UDO2 EA Data Migration Software.

**Justification for This Contract:** The Cook County Health and Hospitals System is requesting to enter into a Sole Source Contract with GE Healthcare. The current archive system in Cardiology has reached end-of-life in terms of usage and age. The discs to store patient data are no longer obtainable and the archive system has reached storage capacity. The request for sole source purchase is based on compatibility with existing equipment and software, which is manufactured from GE Healthcare.

**Cost of Contract And Terms:** Estimated Cost: \$156,045.00  
Contract Period: One Time Purchase

**Budget Info:** Fiscal Impact: \$156,045.00  
Requisition No. 88974110  
Budget Acct. No. 897/540

**Signatures:**

Operating Unit CFO   
CCHHS Director of Purchasing   
CCHHS CEO 

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**Cook County Health and Hospitals System****Proposed Contract for Board Approval****Sponsor:**

Johnny C. Brown, COO  
John H. Stroger, Jr. Hospital of Cook County

**Operating Unit:**

Department of Professional Affairs, Division of Buildings and Grounds.

**Description of Service:**

This contract is for the provision of labor, materials, equipment and engineering services for the **replacement of two electrical transformers**.

**Justification for this contract:**

Requesting authorization on an emergency basis to enter into contract with High Voltage Maintenance replace existing electrical transformers which can not operate in their present condition. If these two transformers are not replaced the remaining electrical transformers can fail causing disruption of electricity throughout the Hospital which would cause a significant impact on daily operations of the hospital and jeopardize standard of care to patients.

We solicited for and received two Requests for Proposals, High Voltage Maintenance submitted the lowest proposal for \$260,750.00.

**Cost of the contract and Terms:**

\$260,750.00. One-time purchase on an emergency basis.

**Budget Information:**

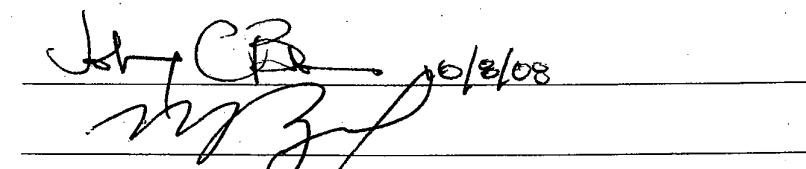
The cost for this contract has been provide for within the current Capital budget

**Signatures:**

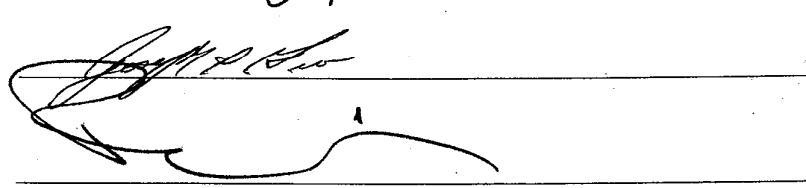
Sponsor:

 6/8/08

Operating Unit C.F.O.



CCHHS Director  
Of Purchasing



CCHHS C.F.O.

21

**COOK COUNTY HEALTH AND HOSPITALS SYSTEM**  
**Request to Enter into a Contract, Award and Execute**

**AS AMENDED**

**Date:** November 19, 2008

**Sponsor:**  
 Julie Bonello,  
 Chief Information Officer

**Operating Unit:** Cook County Health and Hospitals System/Health Information Systems

**Description of Services:**  
 Open Text Corporation, P.O. Box 66512, AMF O'Hare, Chicago, Illinois 60666-0512 for maintenance and support of Vista Plus Professional Production and User Client Licenses for Cook County Health and Hospital Systems facilities.

**Justification for this Contract:**  
 Opentext is VISTA, the software we use to store and organize all our financial reports that we get from Siemens. Vista is the storage area for all of our bills before they are sent to Nebo or worked manually before being sent by each institution. Last year, the contract was approved but for some reason, the contract was sent to Opentext but to my attention. It lingered in their mail room for several months. When the error was determined, the entire process needed to be redone because too much time had lapsed. Now we find that we **DO NOT HAVE MAINTENANCE** from this vendor due to the above and nonpayment. Consequently, Provident is in dire need of a server upgrade in order to store their bills but we can not upgrade the server until we pay the invoice. This is of critical importance.

**Cost of the Increase and Terms:**  
 Requested Contract Amount: **\$92,444.00-\$97,990.64**  
 Contract Period: 08/01/07 through 07/31/2009.

**Budget Information:**  
 Fiscal Impact: **\$92,444.00-\$97,990.64**  
 Budget Account: 441  
 Requisition No. \_\_\_\_\_

**Signatures:**  
 Sponsor

Operating Unit CFO

CCHHS Director of Purchasing

CCHHS COO

*Julie Bonello*  
*11/3/08*

22

**COOK COUNTY HEALTH AND HOSPITALS SYSTEM**  
**Request to Enter into a Contract, Award and Execute**

**Date:** November 20, 2008

**Sponsor:** Julie Bonello,  
 Chief Information Officer

**Operating Unit:** Cook County Health and Hospitals System  
 Health Information Systems

**Description of Services:**

TeleTracking Technologies, Inc., 336 Fourth Avenue, Pittsburgh, PA. for software maintenance and support of the patient admitting and bed tracking database services.

**Justification for this Contract:**

Teletracking is our existing bed board management vendor. Teletracking is one of the most widely used bed board management vendors in the industry. This software has been installed for several years and was formerly included in the Cerner contract. I have been trying to get separate contract for this vendor whose software is currently installed. The contract is a maintenance agreement for 3 years with a 3 % yearly increase which is customary. First year cost = 71,988, Second year impact = 74,136, Third year impact = 76,344.

**Cost of the Increase and Terms:**

The total contract is in the amount of \$222,468.00 with a duration period of three (3) years, 02/01/09 through 01/31/12.

**Budget Information:**

Fiscal Impact: \$222,468.00

Budget Account: 441

Requisition No. \_\_\_\_\_

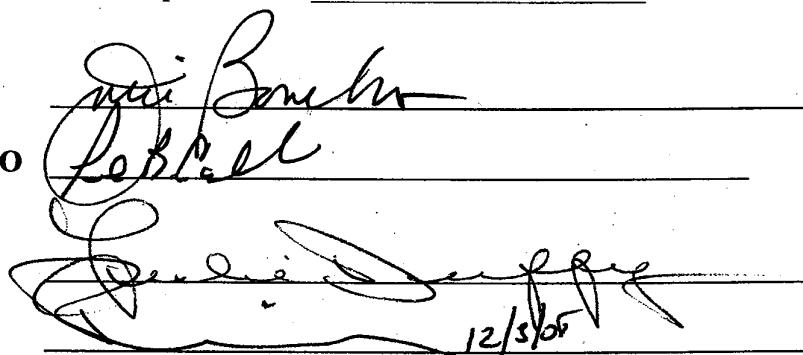
**Signatures:**

Sponsor

Operating Unit CFO

CCHHS Director  
 of Purchasing

CCHHS COO



Handwritten signatures of Julie Bonello, Leanne Leppla, and Dennis Coffey, along with the date 12/3/08.

23

**COOK COUNTY HEALTH AND HOSPITALS SYSTEM**  
**Request to Enter Into, Award and Execute Contract**

**Date:** December 5, 2008

**Sponsor:** Pitt Calkin  
Operating Unit CFO

**Operating Unit:** CCHHS

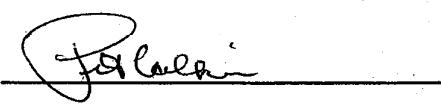
**Description of Services:** University HealthSystem Consortium (2001 Spring Road, Suite 700 Oak Brook, IL 60523) for the provision of Performance Accelerator Suite Program.

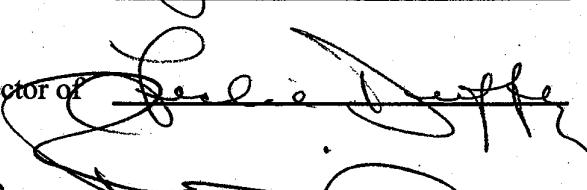
**Justification for This Contract:** The Cook County Health and Hospitals System is requesting to enter into and execute a contract with UHC for data base reporting system and related services designed to provide UHC members with comparative operational data. The Performance Accelerator Suite Program is a companion database to the Clinical Data Base which contains line-item detail for pharmacy, accommodations, blood use, imaging & diagnostics. In addition, it provides standard definitions and methods to collect financial and operational information. It allows you to identify meaningful comparative organizations.

**Cost of Contract And Terms:** The Term of this Agreement is one (1) calendar year. The organization is only interested in contracting for the Operational Data Base. CCHHS is part of the UHC Alliance.

**Budget Info:** **Fiscal Impact: \$0**  
Budget Acct. No. 890-260

**Signatures:**

Operating Unit CFO 

CCHHS Director of Purchasing 

CCHHS CEO 

24

**COOK COUNTY HEALTH AND HOSPITAL SYSTEMS**  
**REQUEST FOR RENEWAL OF EXISTING CONTRACT**  
**AND EXECUTION** **AS AMENDED**

**Date:** October 08, 2008

**Sponsor:** Julie Bonello,  
Chief Information Officer

**Operating Unit:** Cook County Health and Hospital Systems  
Health Information Systems

**Description of Services:** Siemens Medical Solutions, USA, Inc., 51 Valley Stream Parkway, Malvern, PA 19355 (Contract No. 06-41-274) License, Maintenance and Support Patient Accounting System Computer Software.

**Justification for this Contract:** Siemens Medical Solutions, USA, Inc., is the sole source provider of the software currently being used by the Cook County Health and Hospital Systems for patient accounting and billing functions.

**Cost of the Increase and Terms:** This contract is in the amount of \$7,402,752.00 with a duration period of three years , effective 01/10/09 through 01/09/2012. (Amount of original Board approved contract: \$6,752,640.00; Board approved date: 12/06/05; Expiration date of current contract: 01/09/09)

**Budget Information:**

Fiscal Impact: \$7,402,752.00  
 Fiscal 2009 (01/10/09 – 11/30/09) \$2,361,952.00  
 Fiscal 2010 (12/01/09 – 11/30/10) \$2,467,584.00  
 Fiscal 2011 (12/01/10 – 11/30/11) \$2,467,584.00  
 Fiscal 2012 (11/30/11 ~~12/01/11~~ – 01/09/12) \$205,632.00

Approval of this item will commit Fiscal Year(s) 2009 -2012  
 Budget Account: 441  
 Account Description: Maintenance and Repair of Data Processing Equipment  
 Requisition No. 98900012

**Signatures:**

**Sponsor** Julie Bonello

**Operating Unit CFO** Leh Call

**CCHHS Director of Purchasing** Jeff Patti 11/05/09

**CCHHS COO** 11/5/08 25

**COOK COUNTY HEALTH AND HOSPITAL SYSTEMS**  
**REQUEST FOR RENEWAL OF EXISTING CONTRACT**

**AS AMENDED**

**Date:** October 15, 2008

**Sponsor:** Julie Bonello,  
 Chief Information Officer

**Operating Unit:** Cook County Health and Hospital Systems  
 Health Information Systems

**Description of Services:** and execute a contract for  
 Request to renew software maintenance, support enhancement and hardware for the Laboratory System with Soft Computer Consultants (SCC), 54400 Tech Data Drive, Clearwater, Florida 33760 (contract no. 06-41-728).

**Justification for this Contract:** Soft Computer Consultants is the current vendor for laboratory services with the Cook County Health and Hospital Systems. The renewal of existing services will provide CCHHS with software upgrades, support/maintenance, additional software modules for reporting procedures and equipment upgrades.

**Cost of the Increase and Terms:** This contract is in the amount of \$2,591,659.00 with a duration period of three years, effective 07/01/08 through 06/30/11.  
 (Amount of original approved contract: \$545,369.00; date authorized: 09/07/06; expiration date of current contract: 06/30/08 )

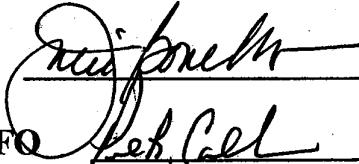
**Budget Information:** Fiscal Impact: \$147,805.50 \$2,591,659.00  
 Approval of this item will commit Fiscal Year(s) 2009 - 2011  
 Budget Account 441 Account  
 Account Description: Maintenance and Repair of Data Processing Equipment  
 Requisition No. \_\_\_\_\_

**Signatures:**  
 Sponsor

Operating Unit CFO

CCHHS Director  
 of Purchasing

CCHHS CFO

  
Julie Bonello

10/31/08

p/25/08

26

COOK COUNTY HEALTH AND HOSPITALS SYSTEM  
CONTRACT ITEM REQUESTING CONTRACT  
**RENEW and EXECUTE CONTRACT**

**DATE:** 11/13/08

**SPONSOR:** Sidney Thomas  
Chief Operating Officer

**OPERATING UNIT:** Provident Hospital

**DESCRIPTION OF SERVICE:** Requesting approval to renew and execute Program Addendum 07-41-361 with Midwestern University, Downers Grove, IL in the current Midwestern University Residency Program in Emergency Medicine.

**JUSTIFICATION:** This contract provides for the continuing comprehensive training for residents and students from the University and to maintain quality patient care at Provident Hospital.

**CURRENT COST AND TERMS:** The total cost is \$793,255.00 for a one (1) year period commencing 7/1/08 – 6/30/09.

**BUDGET INFORMATION:** 891 - 272

**Signatures:**

Sponsor

CCHHS  
CFO

CCHHS Director  
Of Purchasing:

CCHHS  
CEO

*Sidney A. Thomas*  
*Dorothy Loring*  
*Joseph E. Loring*

## Cook County Health and Hospitals System

### Contract Item for Board Approval Execute Contract

Date: 11/14/08

Sponsor: Sylvia Edwards, R.N., M.B.A.  
Chief Operating Officer

Operating Unit: Oak Forest Hospital of Cook County

Description of Service: Requesting to execute Contract No. 08-41-272 with GE Healthcare Diagnostics, 9900 Innovation Drive, Wauwatosa, WI. for the purchase of an ECG Database System.

Justification for this contract: The request to enter into a contract was Cook County Board authorized on 6/3/08.

Cost of the contract and terms: This is a One Time Capital Equipment 717 Purchase in the amount of \$245,057.54.

Budget information: 898-540

Signatures:

Sponsor

Sylvia Edwards

Operating Unit CFO

Jan Cobinham

CCHHS Director  
of Purchasing

R. Joseph S.

CCHHS CEO

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**COOK COUNTY HEALTH AND HOSPITALS SYSTEM**  
**Request to Award & Execute Contract**

**Date:** November 24, 2008

**Sponsor:** David Lai  
Associate Administrator

**Operating Unit:** Department of Buildings & Grounds, CCHHS

**Description of Services:** Anchor Mechanical (406 N. Aberdeen Chicago, IL 60622)  
for the provision of Refrigeration and Ventilation  
Equipment\Utilities, Maintenance and Repair.

**Justification for This Contract:** A request for bid proposals was initiated, bid proposals evaluated by the user department/service and Anchor Mechanical was chosen by virtue of them meeting all specifications, meeting MBE/WBE ordinance requirements, and being the only bidder. In order to receive a P.O. from downtown, this contract needs to be awarded and executed.

**Cost of Contract and Terms:** Contract #: 05-53-233R  
Contract Amount: \$5,609,831.94  
Contract Period: 11/16/2008 thru 11/15/2011

**Budget Info:** Fiscal Impact: \$5,609,831.94  
Budget Account: 897 / 441  
Requisition #: 88970345

**Signatures:**

Operating Unit CFO

Bob Call

CCHHS Director of Purchasing

Leilei D. Sifly

CCHHS CEO

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## AS AMENDED

### COOK COUNTY HEALTH AND HOSPITALS SYSTEM Request to Award & Execute Contract

Date: December 5, 2008

Sponsor: Richard Keen, M.D.  
Interim Chairman

Operating Unit: Department of Surgery, CCHHS

Description of Services: Bioelectronic Engineering & Medical Supplies (691 N. Church Rd. Elmhurst, IL 60126) for the provision of digital mobile c-arm fluoroscopy.

Justification for This Contract: The bid tabulations were reviewed by the Department of Surgery, contract #07-72-497R and recommended the award to the lowest qualified bidder meeting specifications, B.E.A.M.S. In order for Downtown to release a P.O. this contract must be Awarded and Executed.

Cost of Contract And Terms: Contract No. 07-72-497R  
Cost of Contract: \$278,274.00  
Term: One-time Purchase

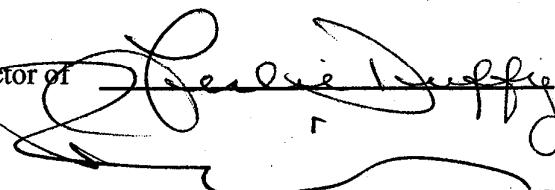
Budget Info: Fiscal Impact: \$278,274.00  
Req. No. 88970432  
Budget Acct. 897\360

Signatures:

Operating Unit CFO



CCHHS Director of Purchasing



CCHHS CEO



COOK COUNTY HEALTH AND HOSPITALS SYSTEM  
CONTRACT ITEM REQUESTING CONTRACT  
**AWARD AND EXECUTE**

**DATE:** 11/10/08

**SPONSOR:** Sidney Thomas  
Chief Operating Officer

**OPERATING UNIT:** Provident Hospital

**DESCRIPTION OF SERVICE:** We are requesting to award and execute contract 07-73-549 with Alliance Health Services, Inc. (Base Bid), 6 East Monroe, Ste 400, Chicago, IL. 60603 for the purchase of Critical Care Beds.

**JUSTIFICATION:** A request for bid proposals was initiated, bid proposal evaluated by the user department and Alliance Health Services was chosen by virtue of them meeting all specifications, being the lowest bidder and being responsive to the MBE/WBE ordinance.

**CURRENT COST AND TERMS:** This is a One Time Purchase in the amount of \$127,482.13. The cost for this contract will be provided for within the current Capital Equipment Budget 717.

**Signatures:**

Sponsor

*Sidney A. Thomas*

CCHHS  
CFO

*Dorothy Loring*

CCHHS Director  
Of Purchasing:

*George J. Loring*

CCHHS  
CEO

COOK COUNTY HEALTH AND HOSPITALS SYSTEM  
CONTRACT ITEM REQUESTING CONTRACT  
**AWARD AND EXECUTE**

**DATE:** November 26, 2008

**SPONSOR:** David R. Small, F.A.C.H.E.  
Interim Chief Executive Officer

**OPERATING  
UNIT:** Cook County Health and Hospitals System

**DESCRIPTION  
OF SERVICE:** Requesting approval to award and execute Contract No. 08-84-277 with  
**Cantu Copy, Inc.**, 7423 West Archer Avenue, Unit No. 1A, Summit Argo,  
Illinois 60501-1270.

**JUSTIFICATION:** This contract provides **third party correspondence services** for Oak Forest  
Hospital of Cook County, Provident Hospital of Cook County and Stroger  
Hospital of Cook County.

**CURRENT COST  
AND TERMS:** The total revenue is \$480,720.00 for a three (3) year period commencing  
November 1, 2008 through October 31, 2011. This vendor was chosen by  
virtue of them meeting all specifications and being the highest revenue bidder.

**BUDGET  
INFORMATION:** This is a revenue generating contract.  
Budget 898/891/897.

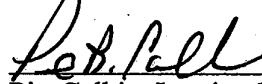
Signatures:



Sponsor:

\_\_\_\_\_  
David R. Small, F.A.C.H.E., Interim CEO, CCHHS

Operating Unit  
CFO:

  
\_\_\_\_\_  
Pitt Calkin, Interim Chief Financial Officer, CCHHS

Director,  
Purchasing:

  
\_\_\_\_\_  
Leslie Duffy, Director of Purchasing, CCHHS

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**Cook County Health and Hospital Systems  
Finance Committee  
Contract Item for Board Approval,**

**Sponsor:** David R. Small, F.A.C.H.E. Interim Chief Executive Officer,

**Operating Unit:** Cook County Health and Hospital Systems

**Description of Service:**

Authorization is requested to enter into contract with Inlander Brothers Inc., for the provision of Towels, Paper "C" Fold (Contract 09-15-680H).

**Justification for this contract:**

Inlander Brothers Inc. is the lowest qualified bidder meeting specifications.

**Cost of the contract and terms:**

This is a 24 month contract to commence January 1, 2009 and end on December 31, 2010. The total anticipated cost of this contract is \$391,720.00.

**Budget information:** The cost for this contract has been provided for within the operating budget of 2009 and future year funds for Household and Cleaning Supplies 240/891/897/898-330 Account.

**Signatures:**

Sponsor

David R. Small, F.A.C.H.E., Interim CEO, CCHHS

Operating Unit CFO

Pitt Calkin, Interim Chief Financial Officer, CCHHS

Director, Purchasing

Leslie Duffy, Director of Procurement, CCHHS

33.

THE BOARD OF COMMISSIONERS  
TODD H. STROGER

## PRESIDENT

EARLEAN COLLINS	1st Dist.	PETER N. SILVESTRI	9th Dist.
ROBERT STEELE	2nd Dist.	MIKE QUIGLEY	10th Dist.
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WILLIAM M. BEAVERS	4th Dist.	FORREST CLAYPOOL	12th Dist.
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JOAN PATRICIA MURPHY	6th Dist.	gregg goslin	14th Dist.
JOSEPH MARIO MORENO	7th Dist.	TIMOTHY O. SCHNEIDER	15th Dist.
ROBERTO MALDONADO	8th Dist.	ANTHONY J. PERAICA	16th Dist.
		ELIZABETH ANN DOODY GORMAN	17th Dist.



COOK COUNTY  
OFFICE OF CONTRACT COMPLIANCE

BETTY HANCOCK PERRY  
DIRECTOR

118 North Clark Street, Room 1020  
Chicago, Illinois 60602-1304  
E-MAIL: bhperry@cookcountygov.com  
TEL (312) 603-5502  
FAX (312) 603-4547

November 26, 2008

Ms. Carmen Triche-Colvin  
Purchasing Agent  
County Building-Room 1018  
Chicago, Illinois 60602

Re: 09-15-680H

Dear Ms. Triche-Colvin:

The following bid for the above referenced contract has been reviewed for compliance with the General Conditions regarding the Minority and Woman Business Enterprises Ordinance and has been found to be responsive to the Ordinance.

Bidder: Inlander Brothers, Inc.

Bid Amount: \$391,720.00

<u>M/WBE</u>	<u>Status</u>	<u>Dollar Amount</u>	<u>%</u>
Ekla Corporation	MBE (8)	\$97,930.00	25%
Multi-Products Distribution Inc.	WBE (9)	\$39,172.00	10%

The Office of Contract Compliance has been advised by the requesting department that no other bidders are being recommended for award.

Sincerely,

*Betty Hancock Perry*

Betty Hancock Perry  
Contract Compliance Administrator

BHP/lar

cc: John H. Stroger, Jr. Hospital of Cook County

33,

**Cook County Health and Hospital Systems  
Finance Committee  
Contract Item for Board Approval,**

**Sponsor:** David R. Small, F.A.C.H.E. Interim Chief Executive Officer,

**Operating Unit:** Cook County Health and Hospital Systems

**Description of Service:**

Authorization is requested to enter into contract with the following lowest qualified bidders meeting specifications for the provision of Supplies, Nutritional Supplements, Feeding Bags and Tubings Contract 08-15-109H1.

**Justification for this contract:**

Bioelectronic Engineering & Medical Supplies is the lowest qualified bidder meeting specifications for Items 1, 2, 3, 6, 9, 11and 12.

Items 1, 2 and 3: Shall be awarded in whole to one manufacturer / vendor for compatibility between products. Abbott Nutrition A Division of Abbott Laboratories, Inc. submitted a partial bid not a complete bid as specified.

Items 6, 9, 11, 12: Abbott Nutrition A Division of Abbott Laboratories, Inc. failed to provide samples as specified.

MMS- A Medical Supply Company is the lowest qualified bidder meeting specifications for Items 4 and 5.

**Cost of the contract and terms:**

This is a 17 month contract to commence upon Board Award and end on April 30, 2010. The total anticipated cost of this contract is \$175,453.40.

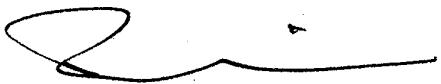
Bioelectronic Engineering & Medical Supplies	\$ 113,942.00
MMS- A Medical Supply Company	<u>\$ 61,511.40</u>
Total	\$ 175,453.40

**Budget information:** The cost for this contract has been provided for within the current operating budget of 2008 and future year funds for Formula and Tube Feeding Products 240/891/897/898-337 Account.

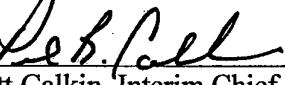
34

Signatures:

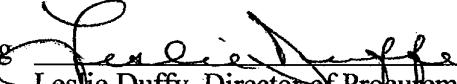
Sponsor

  
David R. Small, F.A.C.H.E., Interim CEO, CCHHS

Operating Unit CFO

  
Pitt Calkin, Interim Chief Financial Officer, CCHHS

Director, Purchasing

  
Leslie Duffy, Director of Procurement, CCHHS

34.

## THE BOARD OF COMMISSIONERS

TODD H. STROGER

PRESIDENT

EARLEAN COLLINS	PETER N. SILVESTRI	9th Dist.
ROBERT STEELE	MIKE QUIGLEY	10th Dist.
JERRY BUTLER	JOHN P. DALEY	11th Dist.
WILLIAM M. BEAVERS	FORREST CLAYPOOL	12th Dist.
DEBORAH SIMS	LARRY SUFFREDIN	13th Dist.
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	ELIZABETH ANN DOODY GORMAN	17th Dist.

COOK COUNTY  
OFFICE OF CONTRACT COMPLIANCEBETTY HANCOCK PERRY  
DIRECTOR118 North Clark Street, Room 1020  
Chicago, Illinois 60602-1304E-MAIL: [bherry@cookcountygov.com](mailto:bherry@cookcountygov.com)  
TEL (312) 603-5502  
FAX (312) 603-4547

October 27, 2008

Ms. Carmen Triche-Colvin  
Purchasing Agent  
County Building-Room 1018  
Chicago, IL 60602

Re: Contract No. 08-15-109H1

Dear Ms. Triche-Colvin:

The following bids for the above referenced contract have been reviewed for compliance with the General Conditions regarding the Minority and Women Owned Business Enterprises Ordinance and have been found to be responsive to the Ordinance:

Bidder: MMS A Medical Supply Company  
Bid Amount: \$61,511.40

Waiver Granted

Good Faith Efforts Documented include: bidder contacted the Office of Contract Compliance; bidder established and carried out a mentor/protégé agreement.

Bidder: Bioelectronic Engineering & Medical Supplies (B.E.A.M.S.)  
Bidder Amount: \$113,942.00

M/WBE	Status	Dollar Amount	%
Bio-Tek Medical Supplies, Inc.	MBE (8)	\$28,485.50 (D)	25%
Innovative Trader	WBE (6)	\$11,394.20 (D)	10%

The Office of Contract Compliance has been advised by the requesting department that no other bidders are being recommended for award.

Sincerely,

*Betty Hancock Perry*  
Betty Hancock Perry  
Contract Compliance Administrator  
BHP/ae

Cc: Cook County Bureau of Health Services

343

**Cook County Health and Hospital Systems  
Finance Committee  
Contract Item for Board Approval,**

**Sponsor:** David R. Small, F.A.C.H.E. Interim Chief Executive Officer,

**Operating Unit:** Cook County Health and Hospital Systems

**Description of Service:**

Authorization is requested to enter into contract with the following lowest qualified bidders meeting specifications for the provision of Supplies, Monitors and Noninvasive Pacemakers Contract 08-15-189H.

**Justification for this contract:**

Bioelectronic Engineering & Medical Supplies is the lowest qualified bidder meeting specifications for Section II (Items 4 thru 6), Section III (Items 7 thru 15), Section IV (Items 16 thru 20) and Section V (Items 21 thru 25).

Section II (Items 4 through 6): Shall be awarded in whole to one manufacturer / vendor for compatibility between products. Physio-Control, Inc. took exception to the special conditions and specifications of the contract.

Section III (Items 7 through 15) and Section V (Items 21 through 25): Shall be awarded in whole to one manufacturer / vendor for compatibility between products.

Section IV (Items 16 through 20): Shall be awarded in whole to one manufacturer / vendor to allow for compatibility between products. Ekla Corporation (Alternate) bid products from more than 1 manufacturer for this section.

Ekla Corporation, Inc. is the lowest qualified bidder meeting specifications Section I (Items 1 thru 3).

**Cost of the contract and terms:**

This is an 11 month contract to commence upon Board Award and end on October 31, 2009. The total anticipated cost of this contract is \$88,113.70.

Bioelectronic Engineering & Medical Supplies	\$ 86,640.25
Ekla Corporation	\$ 1,473.45
Total	\$ 88,113.70

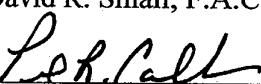
**Budget information:** The cost for this contract has been provided for within the current operating budget of 2008 and future year funds for Medical and Surgical Supplies 240/891/897/898-362 Account.

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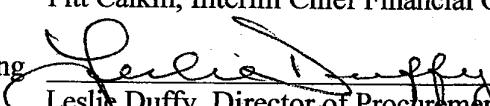
Signatures:  
Sponsor

  
David R. Small, F.A.C.H.E., Interim CEO, CCHHS

Operating Unit CFO

  
Pitt Calkin, Interim Chief Financial Officer, CCHHS

Director, Purchasing

  
Leslie Duffy, Director of Procurement, CCHHS

35<sub>2</sub>

## THE BOARD OF COMMISSIONERS

TODD H. STROGER

PRESIDENT

EARLEAN COLLINS	PETER N. SILVESTRI	8th Dist.
ROBERT STEELE	MIKE QUIGLEY	9th Dist.
JERRY BUTLER	JOHN P. DALEY	10th Dist.
WILLIAM M. BEAVERS	FORREST CLAYPOOL	11th Dist.
DEBORAH SIMS	LARRY SUFFREDIN	12th Dist.
JOAN PATRICIA MURPHY	GREGG BOSLIN	13th Dist.
JOSEPH MARIO MORENO	TIMOTHY D. SCHNEIDER	14th Dist.
ROBERTO MALDONADO	ANTHONY J. PERAICA	15th Dist.
	ELIZABETH ANN DODDY GORMAN	16th Dist.
		17th Dist.

COOK COUNTY  
OFFICE OF CONTRACT COMPLIANCEBETTY HANCOCK PERRY  
DIRECTOR118 North Clark Street, Room 1020  
Chicago, Illinois 60602-1304E-MAIL: bhperry@cookcountygov.com  
TEL (312) 603-5502  
FAX (312) 603-4547

RECEIVED  
OFFICE OF CONTRACT  
COMPLIANCE  
COOK COUNTY, ILLINOIS  
10/27/2008

08 NOV -5 PM 3:11

October 27, 2008

Ms. Carmen Triche-Colvin  
Purchasing Agent  
County Building-Room 1018  
Chicago, Illinois 60602

Re: Contract No. 08-15-189H

Dear Ms. Triche-Colvin:

The following bids for the above referenced contracts have been reviewed for compliance with the General Conditions regarding the Minority and Women Owned Business Enterprises Ordinance and have been found to be responsive to the Ordinance:

Bidder: Bioelectronic Engineering & Medical Supplies, (B.E.A.M.S.)  
Bid Amount: \$86,640.25

<u>M/WBE</u>	<u>Status</u>	<u>Dollar Amount</u>	<u>%</u>
Bio-Tek Medical Supplies, Inc.	MBE-8	\$21,660.06(D)	25%
Beverly A. Simpson, Inc.	WBE-7	\$ 8,664.03(D)	10%

Bidder: Elka Corporation  
Bid Amount: \$1,473.45

<u>M/WBE</u>	<u>Status</u>	<u>Dollar Amount</u>	<u>%</u>
Elka Corporation	MBE-8	\$1,326.10	90%
Alpha Source, Inc.	WBE-7	\$ 147.35(D)	10%

The Office of Contract Compliance has been advised by the requesting department that no other bidders are being recommended for award.

Sincerely,

*Betty Hancock Perry*  
Betty Hancock Perry  
Contract Compliance Administrator  
BHP/hrtj

cc: Cook County Bureau of Health Services

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**Cook County Health and Hospital Systems  
Finance Committee  
Contract Item for Board Approval,**

**Sponsor:** David R. Small, F.A.C.H.E. Interim Chief Executive Officer,

**Operating Unit:** Cook County Health and Hospital Systems

**Description of Service:**

Authorization is requested to enter into contract with the following lowest qualified bidders meeting specifications for the provision of Supplies, Orthopaedic Contract 07-15-285H3.

**Justification for this contract:**

Ekla Corporation is the lowest qualified bidder meeting specifications for Item 4.

O&M Enterprises is the lowest qualified bidder meeting specifications for Items 1 and 3.

Progressive Industries, Inc. is the lowest qualified bidder meeting specifications for Items 5, 6, 7 Base, 8 Alt., 9 Base, 13 and 15.

I respectfully request that the following items be canceled and rebid:

Item 2: HBG Services Inc., while meeting specifications, was found to be non-responsive to the Minority and Women Owned Business Enterprises Ordinance as determined by the Contract Compliance Administrator. Since the only other bidder exceeded the competitive cost level for this item, I respectfully request that this item be canceled and rebid.

Items 10, 11, 12: O&M Enterprises and Progressive Industries, Inc., failed to provide samples as specified. HBG Services Inc., while meeting specifications, was found to be non-responsive to the Minority and Women Owned Business Enterprises Ordinance as determined by the Contract Compliance Administrator. Since there were no other bidders for these items, I respectfully request that these items be canceled and rebid.

Items 14, 20, 21, 27: O&M Enterprises failed to provide samples as specified. HBG Services Inc., while meeting specifications, was found to be non-responsive to the Minority and Women Owned Business Enterprises Ordinance as determined by the Contract Compliance Administrator. Since there were no other bidders for these items, I respectfully request that these items be canceled and rebid.

Items 16, 17, 18, 19, 23, 24, 25, 26: HBG Services Inc., while meeting specifications, was found to be non-responsive to the Minority and Women Owned Business Enterprises Ordinance as determined by the Contract Compliance Administrator. Since there were no other bidders for these items, I respectfully request that these items be canceled and rebid.

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Item 22: Progressive Industries, Inc., failed to provide samples as specified. HBG Services Inc., while meeting specifications, was found to be non-responsive to the Minority and Women Owned Business Enterprises Ordinance as determined by the Contract Compliance Administrator. Since there were no other bidders for this item, I respectfully request that this item be canceled and rebid.

**Cost of the contract and terms:**

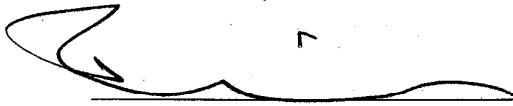
This is a 9 month contract to commence upon Board Award and end on August 31, 2009. The total anticipated cost of this contract is \$ 49,363.35.

Ekla Corporation	\$ 42,493.50
O&M Enterprises	\$ 2,947.50
Progressive Industries, Inc.	<u>\$ 3,922.35</u>
Total	\$ 49,363.35

**Budget information:** The cost for this contract has been provided for within the current operating budget of 2008 and future year funds for Medical and Surgical Supplies 240/891/897/898-362 Account.

**Signatures:**

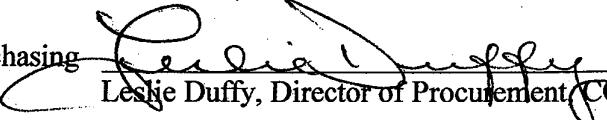
Sponsor

  
David R. Small, F.A.C.H.E., Interim CEO, CCHHS

Operating Unit CFO

  
Pitt Calkin, Interim Chief Financial Officer, CCHHS

Director, Purchasing

  
Leslie Duffy, Director of Procurement, CCHHS

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## THE BOARD OF COMMISSIONERS

TODD H. STROGER  
PRESIDENT

EARLEAN COLLINS	1st Dist.	PETER N. SILVESTRI	9th Dist.
ROBERT STEELE	2nd Dist.	MIKE QUIGLEY	10th Dist.
JERRY BUTLER	3rd Dist.	JOHN P. DALEY	11th Dist.
WILLIAM M. BEAVERS	4th Dist.	FORREST CLAYPOOL	12th Dist.
DEBORAH SIMS	5th Dist.	LARRY SURFRON	13th Dist.
JOAN PATRICIA MURPHY	6th Dist.	GREGG BOGLIN	14th Dist.
JOSEPH MARIO MORENO	7th Dist.	TIMOTHY O. SCHNEIDER	15th Dist.
ROBERTO MALDONADO	8th Dist.	ANTHONY J. PERIACA	16th Dist.
		ELIZABETH ANN DOODY GORMAN	17th Dist.

COOK COUNTY  
OFFICE OF CONTRACT COMPLIANCE

BETTY HANCOCK PERRY  
DIRECTOR

118 North Clark Street, Room 1020  
Chicago, Illinois 60602-1304  
E-MAIL: [dherry@cookecounty.gov.com](mailto:dherry@cookecounty.gov.com)  
TEL (312) 603-5502  
FAX (312) 603-4547

November 3, 2008

08 NOV -3 PM 3:54

Ms. Carmen Triche-Colvin  
Purchasing Agent  
County Building-Room 1018  
Chicago, Illinois 60602

Re: Contract No. 07-15-285H3

Dear Ms. Triche-Colvin:

The following bid for the above referenced contract has been reviewed for compliance with the General Conditions regarding the Minority and Women Owned Business Enterprises Ordinance and has been found to be non-responsive to the Ordinance:

Bidder: HBG Services Inc.  
Bid Amount: \$11,488.00

The following bids for the above referenced contract have been reviewed for compliance with the General Conditions regarding the Minority and Women Owned Business Enterprises Ordinance and have been found to be responsive to the Ordinance:

Bidder: Ekla Corporation  
Bid Amount: \$42,493.50

<u>M/WBE</u>	<u>Status</u>	<u>Dollar Amount</u>	<u>%</u>
Ekla Corporation	MBE-8	\$38,244.15	90%
Alpha Source, Inc.	WBE-7	\$ 4,249.35(D)	10%

Bidder: O & M Enterprise  
Bid Amount: \$2,947.50

<u>M/WBE</u>	<u>Status</u>	<u>Dollar Amount</u>	<u>%</u>
O & M Enterprise	MBE-9	\$2,652.75	90%
Jessy Transportation, LLC	WBE-7	\$ 294.75(I)	10%

Bidder: Progressive Industries, Inc.  
Bid Amount: \$3,922.35

<u>M/WBE</u>	<u>Status</u>	<u>Dollar Amount</u>	<u>%</u>
Globe Medical Surgical Supply Co., Inc.	MBE-8	\$ 980.59(D)	25%
Progressive Industries, Inc.	WBE-7	\$2,941.76	75%

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## Cook County Health and Hospitals System

### Contract Item for Board Approval

**Sponsor:** Martin Grant, R.Ph. Health and Hospitals System Pharmacy Director

**Operating Unit:** Health and Hospitals System Pharmacy Administration

**Description of Service:** This contract is for the provision of testing and certification of intravenous preparation hoods and sterile intravenous preparation rooms at the CORE, Oak Forest, Provident and Stroger facilities.

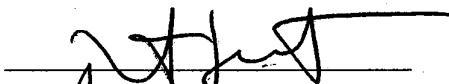
**Justification for this contract:** The intravenous preparation hoods and rooms are required by regulation to be tested and certified on a routine basis. This contract is for the provision of these services.

**Cost of the contract and terms:** This is a one year contract to commence on January 1, 2009 and end on December 31, 2009. The total anticipated cost of the contract is \$ [REDACTED]

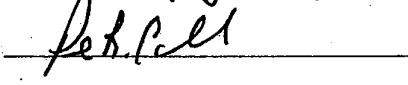
**Budget information:** The cost for this contract has been provided for within the current operating budget. Budget Unit #8900801, Account # 520830.

**Signatures:**

Sponsor



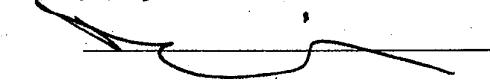
Operating Unit CFO



CCHHS Director  
of Purchasing



CCHHS CEO



**COOK COUNTY HEALTH AND HOSPITALS SYSTEM**  
**Request to Advertise for Bid**

**Date:** December 5, 2008

**Sponsor:**  
Amjad Ali  
Deputy Director  
Professional Affairs

**Operating Unit:** CCHHS

**Description of Services:**  
Request to Advertise for the purchase of an Ambulance  
Cot and Stretchers with mattress pads.

**Justification for This Contract:**  
[REDACTED]

**Cost of Contract And Terms:**  
Estimated Cost: N/A  
Contract Period: N/A

**Budget Info:**  
Requisition No. 82400196  
88974023  
88974024

**Signatures:**

Operating Unit CFO

*Leh Cel*

CCHHS Director of Purchasing

*Debbie Duffey*

CCHHS CEO

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**COOK COUNTY HEALTH AND HOSPITALS SYSTEM**  
**Request to Advertise for Bid**

**Date:** December 5, 2008

**Sponsor:** Russell F. Kelly, M.D.  
Chairman  
Adult Cardiology

**Operating Unit:** Department of Medicine, CCHHS

**Description of Services:** Request to Advertise for the purchase of Diagnostic & Angio Catheters.

**Justification for This Contract:** [REDACTED]

**Cost of Contract And Terms:** Estimated Cost: [REDACTED]  
Contract Period: 08/01/08 thru 07/31/09

**Budget Info:** **Fiscal Impact:** [REDACTED]  
Requisition No. 88970042  
Budget Acct. No. 897/330

**Signatures:**

Operating Unit CFO

*Bob Calh*

CCHHS Director of Purchasing

*Leslie Duffey*

CCHHS CEO

*39*

**COOK COUNTY HEALTH AND HOSPITALS SYSTEM**  
**Request to Advertise for Bid**

**Date:** December 5, 2008

**Sponsor:** Russell F. Kelly, M.D.  
Chairman  
Adult Cardiology

**Operating Unit:** Department of Environmental Services, CCHHS

**Description of Services:** Request to Advertise for the purchase of Catheters Guidewires and Inflation Devices.

**Justification for This Contract:** These catheters are specifically used in our lab during angioplasties. The current contract will expire on 2/5/08

**Cost of Contract And Terms:** Estimated Cost: \_\_\_\_\_  
Contract Period: 02/06/09, thru 02/05/11

**Budget Info:** Fiscal Impact: \_\_\_\_\_  
Requisition No. 98970014  
Budget Acct. No. 897/360

**Signatures:**

Operating Unit CFO

R. Kelly

CCHHS Director of Purchasing

J. J. Kelly

CCHHS CEO

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**COOK COUNTY HEALTH AND HOSPITALS SYSTEM**  
***Request to Advertise for Bid***

**Date:** December 5, 2008

**Sponsor:** Arndell Ricks  
Director

**Operating Unit:** Department of Environmental Services, CCHHS

**Description of Services:** Request to Advertise for the provision of Window Washing Services.

**Justification for This Contract:** To Furnish all labor, supplies, equipment and safety barricades to wash glass panes, sills, jams, baffles, gratings and other specified Glass in the listed building of the Hospital Complex.

**Cost of Contract And Terms:** Estimated Cost: [REDACTED]  
Contract Period: 02/06/09 thru 02/05/11

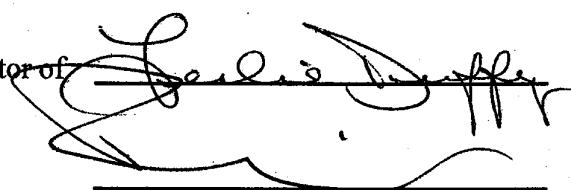
**Budget Info:** Fiscal Impact: [REDACTED]  
Requisition No. 88970561  
Budget Acct. No. 8970153

**Signatures:**

Operating Unit CFO \_\_\_\_\_

CCHHS Director of Purchasing

CCHHS CEO \_\_\_\_\_



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COOK COUNTY HEALTH AND HOSPITALS SYSTEM  
CONTRACT ITEM REQUESTING CONTRACT  
**CANCEL AND RE-BID CONTRACT**

**DATE:** November 26, 2008

**SPONSOR:** Johnny C. Brown  
Chief Operating Officer

**OPERATING  
UNIT:** John Stroger Hospital of Cook County

**DESCRIPTION  
OF SERVICE:** Requesting approval to cancel and re-bid Contract No. 08-84-178 Re-bid

**JUSTIFICATION:** This contract provides snow removal services for John H. Stroger, Jr. Hospital of Cook County.

We have reviewed the responses to the above referenced bid document in which **Christy Webber & Company**, 2900 West Ferdinand Street, Chicago, Illinois 60612 was the lowest bidder meeting the specifications.

In that Contract Compliance has advised that Christy Webber & Company was not responsive to the Minority and Women-Owned Business Ordinance and the next bidder meeting the specifications exceeds the competitive cost level for these items, we respectfully request that it is in the best interest of Cook County that this transaction be cancelled and re-bid.

Signatures:

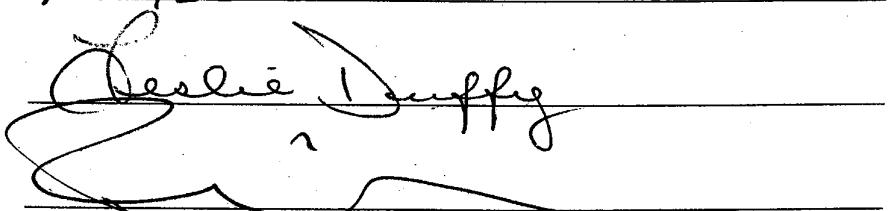
Sponsor:

A handwritten signature in black ink, appearing to read "Bob C. Bell".

CCHHS CFO:

CCHHS Director  
Of Purchasing:

CCHHS CEO:

A handwritten signature in black ink, appearing to read "Leslie J. Duffey".

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**COOK COUNTY HEALTH AND HOSPITALS SYSTEM**  
**Request to Advertise for Bid**

**Date:** December 5, 2008

**Sponsor:** Arndell Ricks  
Director

**Operating Unit:** Department of Environmental Services, CCHHS

**Description of Services:** Request to Advertise for the purchase of **Floor Care Products**.

**Justification for This Contract:** This Contract is to be canceled and re-bid due to revised Specifications. The revision will exclude Oak Forest Hospital due to differences in chemical make-up required in the floor care products for Oak Forest Hospital for older type of floors.

**Cost of Contract And Terms:** Estimated Cost: [REDACTED]  
Contract Period: 06/06/08 thru 06/05/10

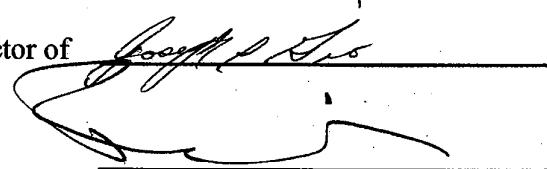
**Budget Info:** **Fiscal Impact:** [REDACTED]  
Requisition No. 88970211  
Budget Acct. No. 897/330

**Signatures:**

Operating Unit CFO



CCHHS Director of Purchasing



CCHHS CEO

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Cook County Health and Hospitals System  
Report of the Meeting of the Finance Committee  
December 12, 2008

ATTACHMENT #3



To: Chairman David Carvalho and  
Members of the Finance Committee  
Cook County Health and Hospitals System

From: Matthew B. DeLeon  
Secretary to the Board

Date: December 12, 2008

Subject: Errata for the December 12, 2008 Finance Committee Agenda  
Corrections to Contracts and Procurement Approvals item transmittals

---

Please be advised of the following corrections to the transmittals which are included as backup information for Item #2 (Contracts and Procurement Approvals) on the agenda to be considered at the December 12, 2008 Finance Committee meeting. The amendments are indicated by the underscored and stricken language.

**Item #2 Contracts and Procurement Approvals**

**2), 3) (Request to renew 2 grants – combined on one transmittal)**

In the **Description of Services** section, the following should be amended:

Requesting authorization to renew the following grants from the Illinois Department of Public Health: Family Planning Services in the amount of \$766,000.00 and Supplemental Nutrition Program in the amount of \$551,300.00.

**4) (Request to renew Black Lung Grant)**

In the **Description of Services** section, the following should be amended:

Requesting authorization to renew Black Lung Grant in the amount of \$237,291.00 with the Department of Health and Human Services.

**9) (Request to increase contracts for the provision of nurse staffing)**

In the **header** section, the following should be amended:

Request to extend & increase dollar amount of existing contracts

In the **Cost of Contract and Terms** section, the following should be amended:

		Increased Amount
Contract No.08-41-199	<u>Direct Medstaff Nursing, Inc.</u>	\$354,000.00
08-41-148	<u>Gareda Diversified Business Services</u>	\$147,000.00
08-41-151	<u>Integrity Nursing Network, Inc.</u>	\$136,000.00
08-41-139	<u>LMR Nursing Services, Inc.</u>	\$70,000.00
08-41-140	<u>Professional Nursing, Inc.</u>	\$180,000.00

Extended Date: 03/01/2008 thru 02/28/09

**37) (Advertise for bids for testing and certification of IV prep hoods, etc.)**

In the **Description of Service** section, the following should be amended:

Request to advertise for bids This contract is for the provision of testing and certification of intravenous preparation hoods and sterile intravenous preparation rooms at the CORE, Oak Forest, Provident and Stroger facilities.

**42) (Request to cancel and rebid contract for snow removal services)**

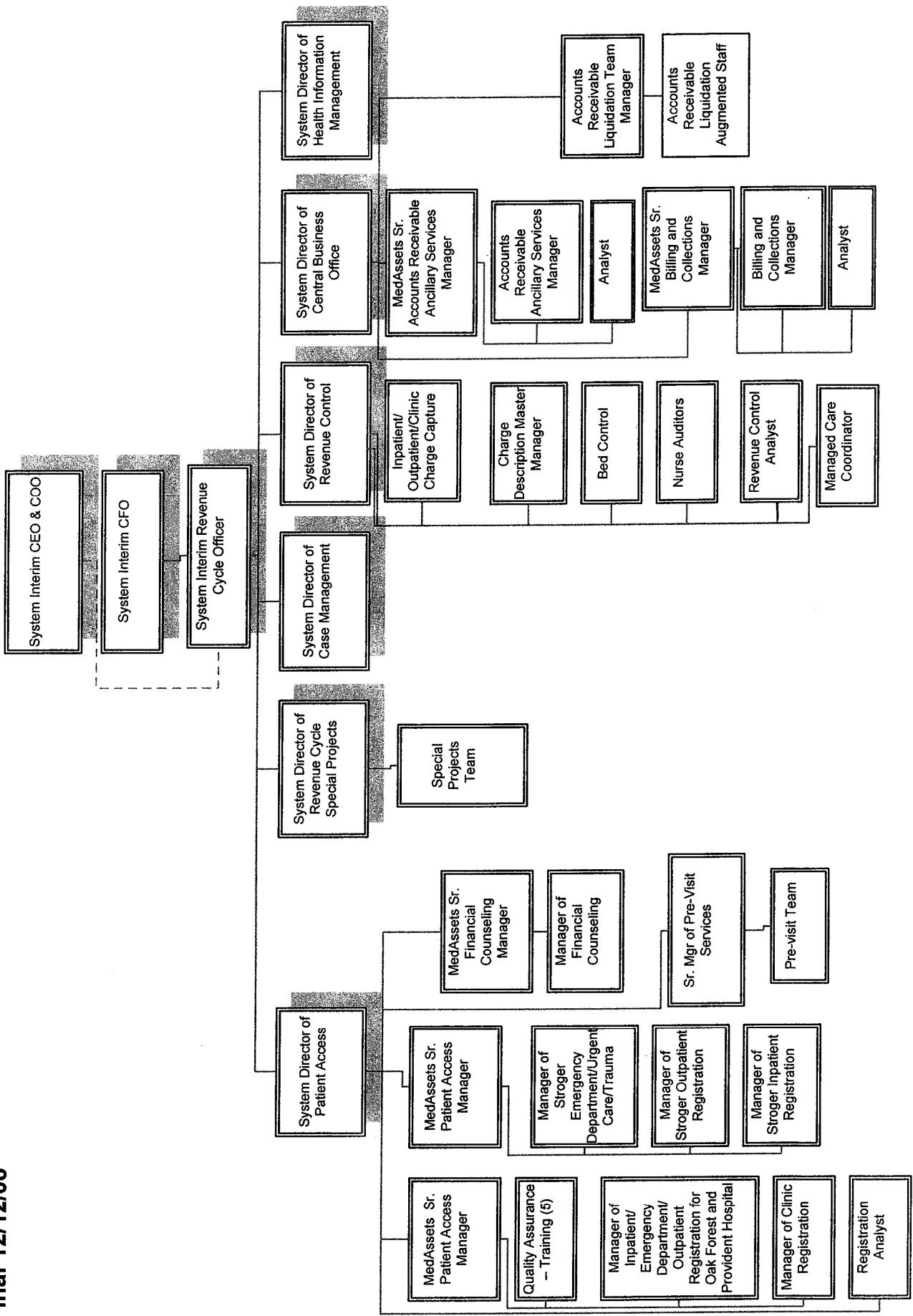
In the **Justification** Section, the following should be amended:

This contract provides snow removal services for John H. Stroger, Jr. Hospital of Cook County. Contract period: 04/03/08 through 04/02/09.

Cook County Health and Hospitals System  
Report of the Meeting of the Finance Committee  
December 12, 2008

ATTACHMENT #4

**Cook County Health and Hospitals System  
Proposed Revenue Cycle Organizational Chart  
Final 12/12/08**



Cook County Health and Hospitals System  
Report of the Meeting of the Finance Committee  
December 12, 2008

ATTACHMENT #5

## **Glossary**

**Pt. Access - Patient Access**, this is the patient registration function area

**HIM -Health Information Management**, this is the Medical Records function area which includes coding and transcription

**CDM – Charge Description Master**, this is the charge master where all charges are kept as a master file.

**Case Management** – These are RN's and Social Workers who manage the patient during their inpatient stay. They arrange the discharge follow up care and interface with the payers for denials, etc.

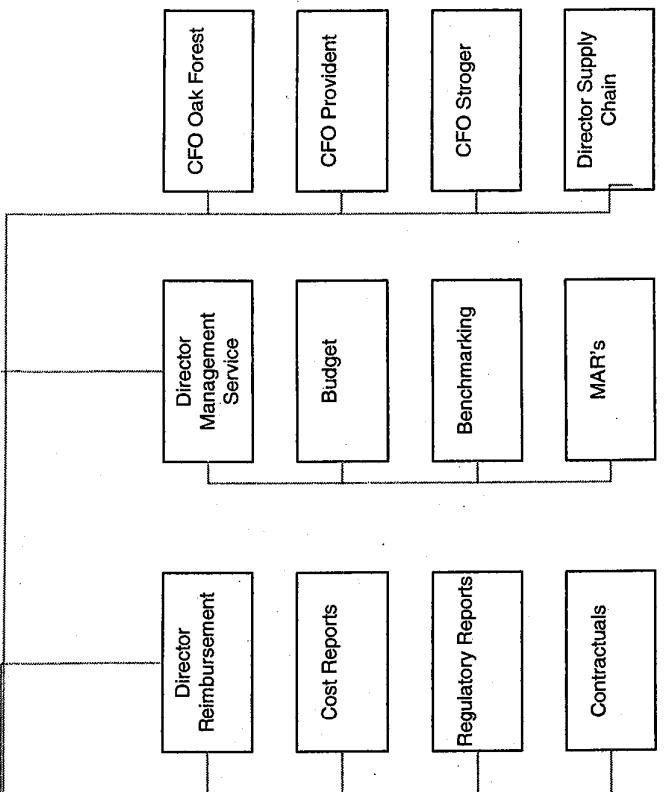
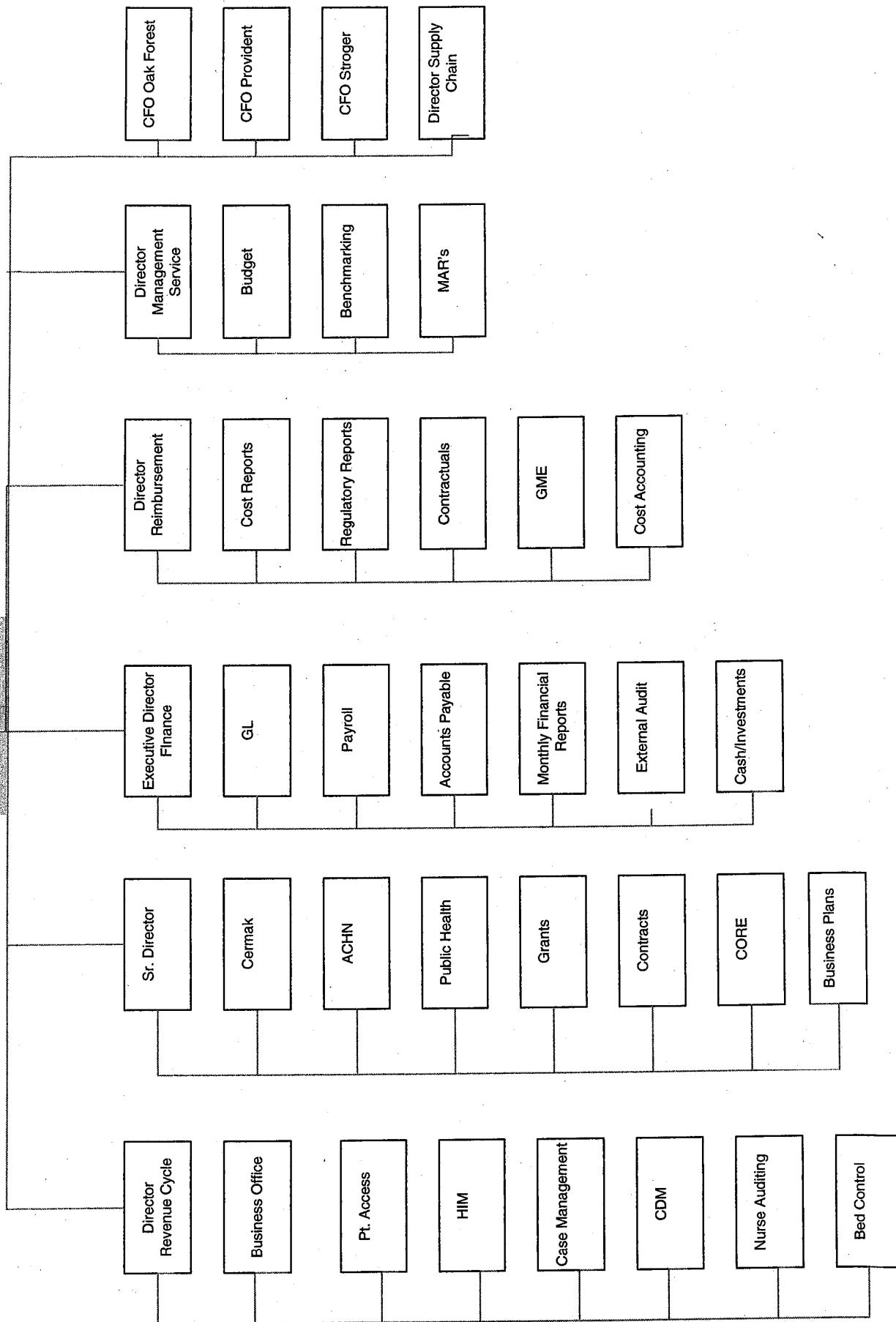
**Nurse Auditing** – These are RN's and LPN's who audit departmental charges for accuracy and that the service provided is also the service charged for.

**Bed Control** – Assigns the status of the patient. A patient may be an inpatient and within that status are they a critical care, surgical, cardiac care, etc. patient. They also decide between inpatient or observation.

**G/L – General Ledger**

**GME – Graduate Medical Education**. This is the business side only for the cost reporting.

**MAR's – Monthly Accountability Reports**



Cook County Health and Hospitals System  
Report of the Meeting of the Finance Committee  
December 12, 2008

ATTACHMENT #6



# Cook County Health and Hospitals System

## Finance Committee Meeting



### Indigent Care Discussion Points



## Current State

- Guidelines for Charity Care at CCHHS are outdated
- Practice is not patient centric....not based on Patient Advocacy
- Existing guidelines are poorly communicated
- Pervasive perception of CCHHS as a provider of free care to all
- Presumptive Eligibility perpetuates the “free care provider” notion and provides no incentive for patients or CCHHS staff to assist patients in finding alternative options for funding of care such as governmental programs
- Uninsured and under insured populations on the rise at CCHHS
  - National Trend
  - Are the eligible for government program assistance?

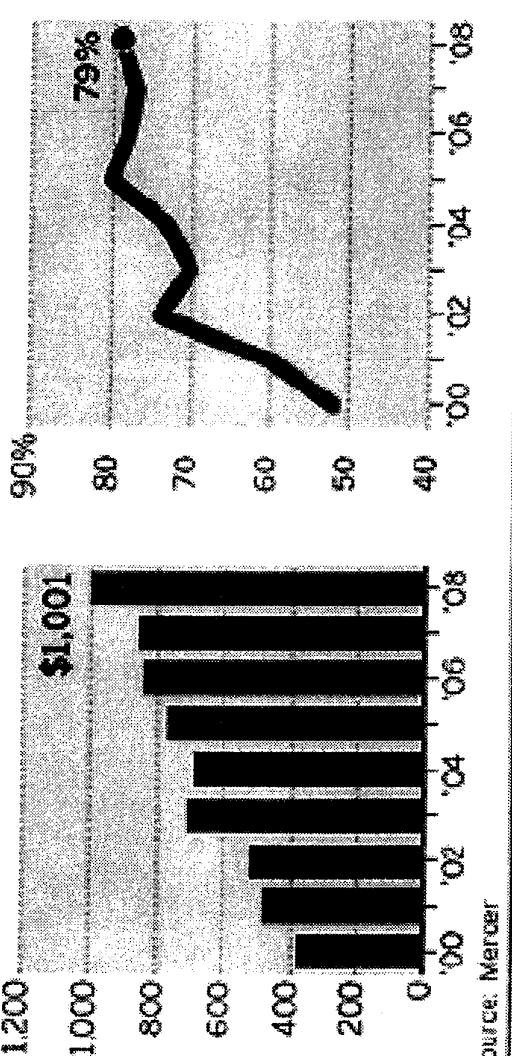
## Increased Employee Responsibility

### Out-of-pocket expenses

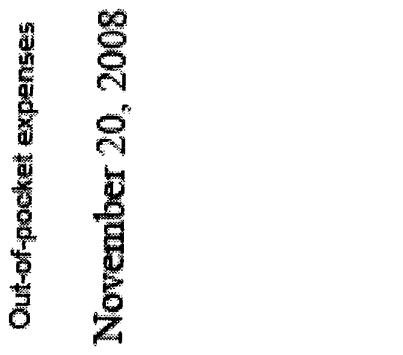
Average annual deductible per individual among PPOs

\$1,200

Percentage of PPOs with a deductible



Source: Mercer



Out-of-pocket expenses

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Property of Massachusetts ©  
2008

MediAssets

## Policy Considerations

- Overarching Policy Issues
  - Balancing Mission with funding constraints
    - For CCHHS this is a question of the degree to which taxpayer are willing to support indigent healthcare services
    - There is a obligation to optimize all sources of available reimbursement from public and private payers
      - CCHHS has been sharply criticized in the past for perceived inadequacies in appropriate billing and collection of amounts available from third party sources
  - Balancing Individual Patient Responsibility for collaboration in the process with the potential for unintended patient inhibition to seek care
    - Consequences of patient non-compliance
      - delay or cancellation of non emergent scheduled care

## Attachments

- Attachment 1 - Report from the Patient Friendly Billing Project
  - Healthcare Financial Management Association and American Hospital Association
- Attachment 2 - Patient Friendly Billing – Worksheet For Reviewing Financial Assistance Policies
- Attachment 3 - Report of the Task Force on Charity Care and Collection Practices for the Uninsured
  - Metropolitan Chicago Healthcare Council and Illinois Hospital Association

## Comparative Facility Guidelines

**Comparative Public Hospital Indigent Care Grid**

Facility	Federal Poverty Income Scale Range	Number of Tiers	Discount	Co Pays
Los Angeles County Med Ctr.	Up to 200%	1	100%	No
Denver Health	Up to 250*	10*	100%	Yes
Hennepin Medical Ctr.	Up to 300%	2	75%/100%	No
Parkland	Up to 250%	1	100%	Yes
Harris County	Up to 250%	2	50%/100%	No
Southern New Hampshire Med CTR.	Up to 250%	3	25%/50%/100%	No
Cook County	Up to 400%	8	65% thru 100%	No
Cook County Proposed A	Up to 250%	1	100%	Yes
Cook County Proposed B				<b>TO BE DETERMINED</b>

\*Tiers only used to determine Co-Pays

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## **PATIENT FRIENDLY BILLING® Worksheet For Reviewing Financial Assistance Policies**

Because communities and local laws vary significantly, it is not appropriate—or even possible—to create one definitive list of recommended actions or considerations that every hospital should take in reviewing and updating its financial assistance policies. Instead, this tool seeks to help hospitals consider the myriad aspects of discounting and collection policies for uninsured and underinsured patients. To be used effectively, hospitals must select the most appropriate or applicable considerations and respond to them based on the unique needs of their communities and the hospital's mission and circumstances.

### **How to Use this Worksheet**

This worksheet is organized using the key questions that hospital leaders may ask when reviewing their financial policies for uninsured and underinsured patients. The questions are discussed in depth in *Hospitals Share Insights to Improve Financial Policies for Uninsured and Underinsured Patients: A Report from the Patient Friendly Billing Project.*

The worksheet offers point-by-point considerations for different aspects of each question, which can be helpful in analyzing the hospital's current policies and potential changes.

The goal of using this tool is to ensure that your organization has a clear policy statement for each point that is considered appropriate or relevant for the organization. By filling in the fields for actions needed, who needs buy-in, and who needs training, you'll create the basis of a work plan for ensuring that the policy decisions are disseminated and implemented throughout your organization.

These worksheets are provided in Rich Text Format (RTF) so that you can download them into most word processing programs and complete them electronically.

## 1. Who Qualifies for Discounted or Free Care?

Consideration	Relevant?	Actions needed	From whom do you need buy-in?	Who needs training?
A. Does the policy comply with Federal regulations regarding who qualifies for free or discounted care?	Y/N			
B. Does the policy comply with state regulations regarding who qualifies for free or discounted care?	Y/N			
C. Does the policy comply with county or municipal regulations regarding who qualifies for free or discounted care?	Y/N			
D. Does the policy comply with state regulations regarding bans on discounts or waivers of copayment amounts?	Y/N			
E. Does the policy appropriately reflect local economic conditions? Factors to support this assessment include:	Y/N			
• How many patients in the community are uninsured or underinsured and therefore qualify for discounted care? • Can the hospital maintain financial stability at the level of discounted or free care included in the policy? • How does the hospital policy compare to the state Medicaid income eligibility level?				
F. Does the financial assistance policy support the hospital's mission statement while protecting its fiscal viability?	Y/N			
G. Does the financial assistance policy provide for input from community stakeholders?	Y/N			

PATIENT FRIENDLY BILLING® Worksheet for Reviewing Financial Assistance Policies

Consideration	Relevant?	Actions needed	From whom do you need buy-in?	Who needs training?
H. Does the policy clearly address underinsured patients' eligibility for discounts? ("Underinsured" patients have some healthcare coverage but cannot afford their copayments or other liabilities.)	Y/N			
Specific questions include:		<ul style="list-style-type: none"> <li>• Can underinsured patients qualify for discounts?</li> <li>• What types of out-of-pocket balances qualify for discounts?</li> <li>• What income levels, relationships between income or assets and account balance, or other metrics are used to determine eligibility for discounts?</li> <li>• Do any health plans the hospital participates with prohibit discounts on copayments?</li> <li>• Do any health plans the hospital participates with require disclosure of waivers of copayments?</li> <li>• Is the policy for the uninsured clear and simple enough that staff members can apply it consistently and patients can understand it?</li> </ul>		
I. Does the policy specify the income guidelines (Federal Poverty, HUD level, or other) to be used for free or discounted care, and state why the guidelines were selected?	Y/N			

PATIENT FRIENDLY BILLING® Worksheet for Reviewing Financial Assistance Policies

Consideration	Relevant?	Actions needed	From whom do you need buy-in?	Who needs training?
J. Does the policy clearly specify the other criteria that are used to determine the patient's eligibility for free or discounted care?	Y/N			
Considerations include:				
<ul style="list-style-type: none"> <li>• Are assets considered for Medicare patients?</li> <li>• Are assets considered for non-Medicare patients?</li> <li>• Is there flexibility for families with income or assets just over the limits?</li> <li>• In determining eligibility or discount levels, is the amount of medical bills compared to income or assets?</li> </ul>				
K. Does the policy take into consideration reimbursements for Medicare bad debts? Considerations include determinations of indigence for non-Medicare patients without an asset test or based on self-attestation.	Y/N			
L. Does the policy require an appropriate level of documentation that balances the hospital's information needs with the patient's ability to conveniently provide accurate information?	Y/N			
Useful questions in evaluating documentation requirements include:				
<ul style="list-style-type: none"> <li>• Is the amount of documentation required increasing or decreasing?</li> <li>• What is the compliance rate for completing documentation?</li> </ul>				

PATIENT FRIENDLY BILLING® Worksheet for Reviewing Financial Assistance Policies

Consideration	Relevant?	Actions needed	From whom do you need buy-in?	Who needs training?
<ul style="list-style-type: none"> <li>Have forms been reviewed to assess whether patients can readily understand them and fill them out?</li> <li>Can hospital assistance forms be aligned with Medicaid applications to reduce paperwork burden?</li> </ul>				

## 2. What Services Are Discounted?

Consideration	Relevant	Actions needed	Whom do you need buy-in from?	Who needs training?
A. Does the policy specify and clearly define what types of services are eligible for discounting? Assistance policies often address the following types of services:	Y/N			
<ul style="list-style-type: none"> <li>Medically necessary</li> <li>Nonelective</li> <li>Emergent</li> <li>Urgent</li> <li>Charity care committee review of individual cases</li> </ul>				
B. Does the financial assistance policy comply with state rules regarding whether policies must apply equally to all or specified hospital services?	Y/N			
C. Does the financial assistance policy comply with state rules regarding hospital charging practices?	Y/N			
D. Does the financial assistance policy provide for communication with medical staff and external medical services regarding charity care eligibility decisions? Related questions include:	Y/N			

**PATIENT FRIENDLY BILLING® Worksheet for Reviewing Financial Assistance Policies**

Consideration	Relevant	Actions needed	Whom do you need buy-in from?	Who needs training?
<ul style="list-style-type: none"> <li>• Should the hospital communicate charity care decisions and eligibility information such as Medicaid determinations to the patient's physician(s)?</li> <li>• Have HIPAA privacy rules been considered?</li> <li>• Should the hospital policy encourage other providers to offer discounts?</li> <li>• Should the hospital seek to align its financial assistance policies with those of affiliated entities such as home health agencies, nursing homes, rehabilitation programs, or other freestanding health services?</li> </ul>				

**3. What Discount Levels Are Offered?**

Consideration	Relevant	Actions needed	Whom do you need buy-in from?	Who needs training?
<p>A. Does the policy consider discounting in light of how the hospital charge description master compares to:</p> <ul style="list-style-type: none"> <li>• Levels prevailing in the local area?</li> <li>• Hospital cost levels?</li> <li>• Rates paid by other payers?</li> <li>• Mix of services?</li> <li>• Distribution of patient care by payer?</li> </ul>	Y/N			
<p>B. In developing the discounting policy, has the policy team assessed possible implications for private payer contracts or Medicaid payments?</p>	Y/N			

## PATIENT FRIENDLY BILLING® Worksheet for Reviewing Financial Assistance Policies

Consideration	Relevant	Actions needed	Whom do you need buy-in from?	Who needs training?
C. In developing the discount policy, has the policy team assessed and accounted for the possibility that local employers might decrease insurance coverage for employees who could otherwise qualify for hospital discounts or free care?	Y/N			
D. Does the discount policy provide for periodic evaluations of discount levels to ensure that they are appropriate to current community and financial conditions? This is particularly important if the amounts on which discounts are based (Medicare, Medicaid, or managed care plan rates) change and after adjusting the charge description master.	Y/N			
E. Does the discount policy provide for the regular estimating and monitoring of the financial implications of policy changes?	Y/N			
<p>Key considerations include:</p> <ul style="list-style-type: none"> <li>• Shifts between bad debt expense and charity care</li> <li>• Collections on self-pay accounts</li> <li>• Implications for DSH payments and provider taxes, if any</li> <li>• How to isolate the effect of policy change from the effect of general changes in the amount of care provided to uninsured and underinsured patients</li> </ul>				
F. Do provisions to furnish discounts after a Medicare patient has exhausted covered days comply with the antikickback statute?	Y/N			

#### 4. How Are Policies Communicated?

Consideration	Relevant	Actions needed	Whom do you need buy-in from?	Who needs training?
A. Does the policy specify a plan, using multiple vehicles, for communicating the policy with patients?	Y/N			
B. Do the policy's communication provisions comply with federal regulations prohibiting business inducements?	Y/N			
C. Do the policy's communication provisions comply with state or local legal requirements regarding the method for communications with patients, such as posting requirements?	Y/N			
D. Do the policy's communication provisions incorporate Patient Friendly Billing guidelines to make patient communications easy to understand and act upon?	Y/N			
E. Do the policy's communications provisions address special needs of the community, such as providing information in foreign languages or for visually or hearing-impaired patients?	Y/N			

#### 5. How Are Patient Accounts Resolved?

Consideration	Relevant	Actions needed	Whom do you need buy-in from?	Who needs training?
A. Does the financial assistance policy address when and how staff are to apply the following payment options?	Y/N			

**PATIENT FRIENDLY BILLING® Worksheet for Reviewing Financial Assistance Policies**

Consideration	Relevant	Actions needed	Whom do you need buy-in from?	Who needs training?
<ul style="list-style-type: none"> <li>• Prompt-payment discounts (be sure to check whether a prompt-payment discount policy for Medicare copayments would run afoul of the antikickback statute)</li> <li>• Payment plans</li> <li>• Loans</li> <li>• Financing by an outside lender</li> </ul>				
B. Does the policy specify processes to discuss financial expectations with patients at the earliest appropriate time? Guidelines for appropriate timing of financial discussions are:	Y/N			
<ul style="list-style-type: none"> <li>• Emergency patients — after the patient's condition is stabilized</li> <li>• Non-emergent patients — at preadmission or during scheduling</li> </ul>				
C. For patients who are unable to pay, does the policy specify when and how staff are to ask the patients to complete financial assistance and Medicaid applications?	Y/N			
D. Does the policy specify what actions staff are to take when working with patients with previous bad debt or outstanding balances?	Y/N			
E. Do financial assistance and collection policies allow for changes in a patient's circumstances throughout the period of the patient's financial obligations?	Y/N			
F. Does the collection policy comply with state laws and regulations regarding collection activities?	Y/N			

Consideration	Relevant	Actions needed	Whom do you need buy-in from?	Who needs training?
G. Does the collection policy comply with the Federal Fair Debt Collection Act (if applicable)?	Y/N			
H. Does the collection policy comply with all collection activities required for Medicare patients in order to be reimbursed for Medicare bad debts?	Y/N			
I. Does the collection policy address the hospital's options to collect from patients who do not pay their bills if they do not comply with the financial assistance and/or do not qualify for financial assistance?	Y/N			
J. Does the collection policy specify when these options are to be applied?	Y/N			
J. Does the collection policy comply with state and local regulations addressing legal actions or other options for patients who do not pay their bills?	Y/N			
K. Does the collection policy address the types of internal approvals required before pursuing legal action for nonpayment of bills?	Y/N			
L. Are collection policies reflected in contracts with collections agencies?	Y/N			

## 6. What Structures and Systems Are in Place to Implement and Administer Policies Effectively?

Consideration	Relevant	Actions needed	Whom do you need buy-in from?	Who needs training?
A. Has the policy team assessed whether current hospital systems can handle the implementation of the discount policy?	Y/N			

PATIENT FRIENDLY BILLING® Worksheet for Reviewing Financial Assistance Policies

Consideration	Relevant	Actions needed	Whom do you need buy-in from?	Who needs training?
Key considerations include:				
• Applying a percentage discount to charges, if that discount method is used				
• Calibrating discount levels to alternative price points, such as Medicare rates, Medicaid payments, or managed care contract levels				
B. Does the policy specify who should be trained -- including front-line staff -- regarding the policy, related procedures, and customer service?	Y/N			
C. Does the policy specify what type of training or reference materials should be readily available for all affected staff?	Y/N			
D. Does the policy specify who makes the decision regarding offering discounts or free care?	Y/N			
E. Does the financial assistance policy establish measurable, meaningful performance standards that can be regularly monitored?	Y/N			
F. Does the financial assistance policy provide for periodic review by business partners and outside vendors to provide input for sound policies and ensure consistent and efficient implementation? Such partners may include eligibility vendors and extended business office staff.	Y/N			

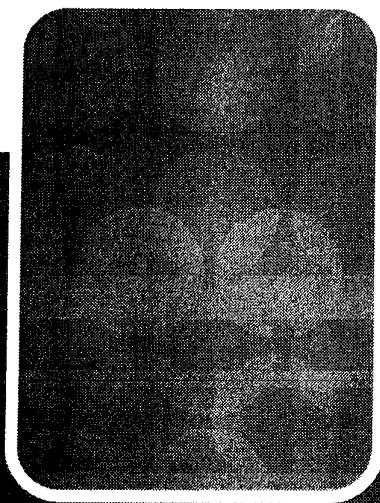
A REPORT FROM HFMA

# PATIENT FRIENDLY BILLING®

PROJECT

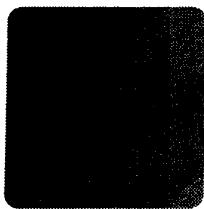
Hospitals Share Insights to Improve  
Financial Policies for Uninsured  
and Underinsured Patients

February 2001



American Hospital  
Association

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**Dear Colleagues,**

We are pleased to present this report on the *PATIENT FRIENDLY BILLING*<sup>®</sup> Project's examination of the issues surrounding discounting and collection practices for patients with limited ability to pay. As increasing numbers of hospitals are updating their financial policies, they find that there are many factors to consider and numerous alternative approaches. Hospital leaders need practical ideas as they revise policies. This project and report were designed to address some of these issues.

The *PATIENT FRIENDLY BILLING*<sup>®</sup> Project worked with hospital system leaders across a broad cross-section of the field to produce this report. We conducted interviews, solicited advice from systems that had recently updated their financial policies for uninsured and underinsured patients, and analyzed alternative approaches to updating policies and procedures.

Each hospital and community has unique considerations. There is no single approach or set of solutions that apply to all hospitals. By addressing the following seven questions, each hospital can develop responsible, balanced policies and practices for their community:

1. Who qualifies for discounted or free care?
2. What services are discounted?
3. What discount levels are offered?
4. How are policies communicated?
5. How are unpaid patient accounts resolved?
6. What structures and systems are in place to implement and administer policies effectively?
7. What is the relevant legal and regulatory context?

Hospitals that have recently revised their policies shared with us lessons learned about characteristics of useful policies: the need to involve others; procedures for training, implementation and monitoring; methods to help patients; and the importance of early action. We hope discussion of these questions and lessons learned encourages hospitals to continually improve their financial policies.

Many of the ideas and approaches in this report address symptoms of the bigger issue—45 million Americans without health insurance. These Americans also have difficulty paying for prescription drugs, physician services and other healthcare services. Hospitals need to continue to work with policy makers and others to develop solutions to the underlying issues of increasing numbers of uninsured and underinsured patients. In the meantime, please join our efforts to make an immediate difference in your community by considering ways to improve your financial policies.

We hope the tools and approaches in this report give you specific, practical ideas that work!

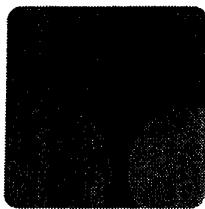
Sincerely,

Richard L. Clarke, FHFMA  
President & CEO  
Healthcare Financial Management Association

Richard J. Davidson  
President & CEO  
American Hospital Association

Terry Allison Rappuhn  
Project Leader  
*PATIENT FRIENDLY BILLING*<sup>®</sup> Project

## Introduction

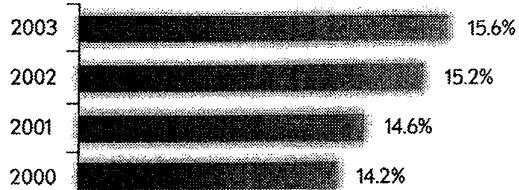


Hospitals are faced with a dilemma. An estimated 45 million Americans have no health insurance, and millions more have inadequate coverage that leads to difficulties in paying for health services. The burden of providing access to health services for uninsured and underinsured patients has fallen substantially on hospitals, public health departments and community health centers. Hospitals are committed to their communities and carry out missions that include significant charity services. And all hospitals with emergency departments are required by law to provide certain emergency services to anyone, regardless of their ability to pay.

But at the same time, hospitals are expected to operate in a financially responsible manner and manage limited resources effectively. Balancing patient needs and stakeholder expectations while operating in a dynamic regulatory and market environment creates major challenges for hospitals. Given these conflicting demands, a fundamental challenge for hospitals is how to best identify those patients who are unable to pay and establish payment expectations for those who are able to pay.

To better serve patients, many hospitals are evaluating their discounting and collections policies and practices for services to the uninsured and underinsured. In

*National Percentage of the Uninsured Through Time*



Source: U.S. Census Bureau, "Income, Poverty and Health Insurance Coverage in the United States: 2003."

2003, the *PATIENT FRIENDLY BILLING*<sup>®</sup> Project began to develop tools and share knowledge and practical ideas to help hospitals and health systems revise their policies and procedures and implement those revisions quickly and effectively.

This work was developed through discussions, interviews and surveys with hospitals and health systems and state hospital associations. The hospitals and health systems represent various geographical locations, market types and hospital sizes. The Lewin Group, Inc., [www.lewin.com](http://www.lewin.com), was engaged to conduct interviews and other research, to collect and analyze data, and to provide drafts of this report.

This report outlines seven key questions that hospital leaders may ask when reviewing their financial policies for uninsured and underinsured patients and summarizes important aspects of each question to consider when

### Reference Materials: Studies on the Uninsured and the Patient Friendly Billing Project

<http://www.patientfriendlybilling.org/2003report/tools.htm#1>

effectively revising these policies. Additional tools and resources are available on the *PATIENT FRIENDLY BILLING*<sup>®</sup> website, [www.patientfriendlybilling.org](http://www.patientfriendlybilling.org).

The information provided in this report is anecdotal and based on the experiences of the hospitals interviewed for this project. It should not be viewed as representative of every hospital or system. Individual hospitals should use the report and subsequent tools within the context of their own institutional and community circumstances.

## Section One: Guiding Principles



The following principles set forth by the AHA have guided this Project:

- Treat all patients equitably, with dignity, with respect and with compassion;
- Serve the emergency healthcare needs of everyone, regardless of a patient's ability to pay for care;
- Assist patients who cannot pay for part or all of the care they receive; and
- Balance needed financial assistance for some patients with broader fiscal responsibilities in order to keep hospitals' doors open for all who may need care in a community.'

The following additional principles were also used to guide the discussion of discounting and collections policies and practices for uninsured and underinsured patients:

- Patients and their families have a responsibility to help hospitals qualify them for the appropriate level or type of financial assistance given their circumstances;

- To ensure the continued ability of hospitals to serve all patients, hospitals have a responsibility to develop and administer financial assistance policies fairly. Hospitals also have a responsibility to all patients to seek payment from those patients who have the ability to pay; and
- When developing more patient-friendly policies and procedures, hospitals may want to seek input from their communities.

1. *AHA Hospital Billing and A Statement of Principles:*  
<http://www.hospitalconn.org>

### Reference Materials: AHA's Guiding Principles

<http://www.patientfriendlybilling.org/2005report>

## Section Two: Challenges to Overcome When Revising Uninsured Policies and Practices

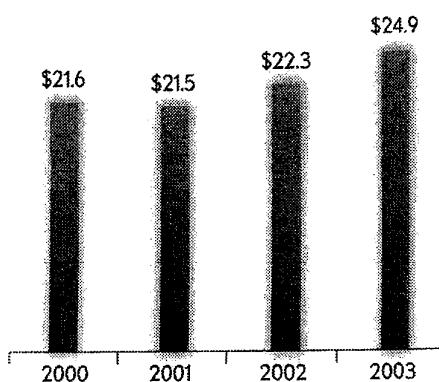


Hospitals, patients and policy makers have struggled with a range of multi-faceted and complex issues as a result of the framework of state and federal regulations and third-party contracting in which hospital charges were traditionally set. Discounting and collections policies for uninsured and underinsured patients vary significantly across hospitals in the United States. When revising them, hospitals should take into consideration the unique needs of their organizations and communities. Complicating the issue further are factors such as the following:

### Environmental Factors

- The nation currently has no solutions to the problem of the growing number of uninsured and underinsured patients. Many health insurance plans, including Medicare, leave patients with growing out-of-pocket costs. While some believe that higher patient obligations will help keep costs down, this situation makes it increasingly difficult for some to pay their hospital bills.
- Many patients simply lack the financial means to purchase insurance. Additionally, some health savings plans can create disincentives for patients to be forthcoming with their insurance and income information. Some uninsured patients (or their employers) can afford

*National Uncompensated Care Costs 2000-2003 (in Billions)*



*Source: Health Forum. AHA Annual Survey Data, 1980-2003.*

- health insurance but choose not to obtain coverage.
- Litigation could impose excessive costs on hospitals for shortcomings of the overall healthcare system.
- Hospitals that discount or write-off a patient's balance without documenting the patient's inability to pay may cause other payers to reduce the amounts they pay for services rendered, thereby creating a vicious cycle of payment shortfalls. In addition, changes to hospital discounting and collections policies for uninsured and underinsured patients have the potential to distort or change insurance markets overall; for example,

### Reference Materials: Employer Cost Shifting and Affordable Insurance

<http://www.patientfriendlybilling.org/2005report/tools.htm#3>

- employers might reduce coverage for services if hospital care in the area will be written off or discounted.
- Hospitals alone cannot address the problems of the uninsured. Instead, hospitals should work with others in the healthcare system, such as payers, legislators and their communities, to explore the adoption of new policies and procedures.

#### **Regulatory Factors**

- Clarifications regarding how the federal government will interpret relevant regulations and laws communicated in February through late December 2004, have been constructive and make hospital policy changes more possible. However, some issues arising under federal healthcare programs remain unresolved.
- As regulations and laws evolve, care needs to be taken to ensure that they do not become even more complex and have the unintended consequence of making it more difficult to discount or provide charity care.
- In many locales, state and local regulations can create additional considerations. For example, such regulations may specify when discounts are permitted or required or how they are to be calculated or communicated.

#### **Hospital Factors**

- Given the increasing number of uninsured and underinsured patients, many hospitals may want to review their policies and practices to determine if they continue to meet the needs of their organizations and the people they serve.
- Hospitals struggle to sort out which patients are unable to pay bills and which are unwilling to pay. In order to protect the financial viability of the facility and continue their service to the community, hospitals have a responsibility to bill and collect from patients to the

- extent they have the ability to pay even a modest amount toward their care.
- Hospitals face a difficult task in setting the appropriate discount levels. If a hospital's discount levels are too high, the ability to survive financially can be threatened. If discount levels are too low, important community and patient needs may not be met.
- Many hospital Charge Description Masters were designed to meet requirements of state and federal regulations and third-party health insurance contracts.
- It can be difficult for patients to learn about the financial assistance that is available to them. Front-line staff at many hospitals may need additional training and better tools to communicate with patients and their families.
- Billing and collections policies affect many departments throughout the hospital; therefore, changing those policies creates practical and complex issues that need to be resolved so that policies can be implemented successfully.

#### **Reference Materials: Medicare Issues, Cost Shifting to Other Payers, and Gross Charges and Uninsured Patients**

<http://www.patientfriendlybilling.org/2005report/tools.htm#4>

## Section Three: Key Questions to Address When Evaluating Policies



**T**hese challenges require hospital leaders to address numerous significant issues when reviewing or changing current policies and practices related to discounting and collections for care provided to uninsured and underinsured patients.

Following are some questions hospitals can use as tools to guide this process. By addressing these questions, hospitals can develop responsible, balanced policies and practices that assist uninsured and underinsured patients:

1. Who qualifies for discounted or free care?
2. What services are discounted?
3. What discount levels are offered?
4. How are policies communicated?
5. How are unpaid patient accounts resolved?
6. What structures and systems are in place to implement and administer policies effectively?
7. What is the relevant legal and regulatory context?

The discussion of these questions highlights issues for hospitals to consider and helps put these issues in context. *THE PATIENT FRIENDLY BILLING*<sup>®</sup> website contains a convenient checklist that hospitals can use to make sure they have considered the different aspects of each question, evaluate their current status, and help identify appropriate changes.

### 1. Who qualifies for discounted or free care?

Most policies of hospitals interviewed by the Project specify that certain patients (e.g., those who do not qualify for Medicare or other coverage and with household incomes up to a specified percentage of the Federal Poverty Level or "FPL") qualify for 100 percent discounts (or "free care") and that other patients (e.g., those with incomes up to some higher specified percentage of the FPL) qualify for discounts on their hospital bills. The exact discounts and qualifying income or asset levels vary from hospital to hospital. Hospitals take into account a broad range of factors in determining patient eligibility for discounted care, including:

**Patients' Potential Eligibility for Third-Party Coverage (e.g., Medicaid).** Many hospitals interviewed for the Project have refocused their efforts to help patients apply for government-sponsored health insurance programs or other third-party coverage, such as COBRA, prior to resolving patient accounts. Hospitals use a variety of approaches to assist patients. For example, they pay salaries for Medicaid eligibility workers or outsource eligibility activities to vendors. Often patients can be in limbo waiting for decisions about their pending Medicaid applications. Hospital financial

### Reference Materials: Worksheet for Reviewing Financial Assistance Policies and Uncompensated Care Policy Guidelines

<http://www.patientfriendlybilling.org/2009report/tools.htm#5>

assistance policies are becoming more specific about when discounts are offered for these patients.

**State Regulations.** Some states specify which patients qualify for free or discounted hospital care. For example, Massachusetts has a free care program with detailed requirements surrounding eligibility and financing of the program. Hospitals must be aware of their state's requirements before writing or revising current policies.

**T I P**

*Many state hospital associations have compiled guides to relevant laws and regulations for their hospital members.*

**Federal Regulations.** Federal regulations also must be considered when examining discounting and collections policies. For example, if discounts on copayments and deductibles are considered too generous for low-income Medicare patients, hospitals could be at risk for inducing federal health program business. These and other regulations are discussed later in this report.

**Local Economic Conditions and Cost of Living.** Local economic conditions are an important factor in establishing fair policies for discounting care as well as ensuring that hospitals set eligibility thresholds that they can sustain. Some hospitals serve communities with many low income patients, small employers and service industries, while others provide care to communities with wealthier populations. Offering free care to all patients with incomes below a certain percentage of the FPL would have very different consequences for hospitals in these different circumstances.

While many hospitals and health systems use the FPL alone as the metric for determining discounts, others select different income levels in different communities or apply a statistic that adjusts for local income variations. The state Medicaid income eligibility level should also be considered. The metrics used by the U.S. Department of Housing and Urban Development (HUD) vary by location and are examples of alternatives to the FPL.

**Hospital Mission.** Each organization defines its mission to meet the needs of its constituencies. These needs may include ensuring the availability of services, charity care, education of health professionals, research, repayment of debt to lenders, honoring the desires of donors, and providing a return on capital. Individual organizations make different choices in determining their missions and carrying them out. Many healthcare systems and hospitals believe that waiving or discounting hospital bills for uninsured and underinsured patients is an important expression of their missions.

**Patient Insurance Status.** Most hospitals interviewed for the Project offer discounts to low-income insured patients who have a liability remaining after insurance has paid. Qualified underinsured patients are those who have some level of insurance, but still have out-of-pocket balances that exceed their financial abilities. Out-of-pocket balances could result from deductibles, coinsurance, noncovered services or other policy limitations. As hospitals revise their policies, they frequently become more explicit about whether and how their policies apply to underinsured patients in addition to the uninsured. For example, they might consider whether discounts will be offered to insured patients receiving services not covered by insurance, patients with large deductibles and coinsurance, or all patients

**Reference Materials: State Uninsured Laws and Regulations, Federal Poverty Guidelines, and Example Policies for Underinsured Patients**

<http://www.patientfriendlybilling.org/2009report/tools.htm#6>

with self-pay obligations. This can help hospital staff better explain policies and assist underinsured patients.

**Payer Contract Requirements.** Some payer contracts and state regulations require hospitals to attempt to collect deductibles and coinsurance amounts from patients without discounting or to disclose any waivers of deductibles or coinsurance. Deductibles and coinsurance requirements for patients with noncontract insurance companies may result in patient liabilities that exceed amounts that would be billed under hospital financial assistance policies. Hospitals may want to review existing payer contracts with this in mind. Hospitals may want to ask payers to change contract provisions and policy makers to remove regulatory barriers that complicate offering discounts to patients. In the interim, hospitals may want to consider including guidance on these circumstances in their policies and practices.

**Establishing Patient Ability to Pay.** Hospitals interviewed for the Project have different approaches to establishing a patient's ability to pay. Most require patients to document their household incomes. All interviewed hospital executives said they struggle with how to define a family for purposes of establishing household means; they are also challenged with how to work with patients whose incomes are just over established guidelines. Most allow patient account representatives to be flexible in dealing with these circumstances.

Many hospitals consider certain patient assets in evaluating ability to pay. The use of assets in means-testing is required for Medicare patients if the hospital intends to seek reimbursement for Medicare indigent bad debts; the Centers for Medicare & Medicaid Services (CMS) recently stated verbally that no assets test is required for non-Medicare patients as a condition for

allowing Medicare indigent bad debt reimbursement. A few hospitals examine assets for patients only if their incomes exceed a certain level or based on the services provided or the amount of the patient bill. Some organizations use credit reports to help validate patient assets.

**Application Processes and Documentation Requirements.** Hospitals and health systems may be moving in different directions regarding documentation requirements for patients to qualify for financial assistance; some organizations interviewed for the Project are reducing the required amount of documentation in order to make it easier for patients, while others are considering additional requirements. Additionally, hospitals with more generous discount policies face administrative burdens caused by the higher numbers of applications that their policies generate.

But whether they are reducing or increasing the amount of documentation, most hospitals struggle with how to get patients to complete or provide all documents required to qualify for financial assistance. Some hospitals have documentation compliance rates that hover at only about 50 percent, meaning that many people who may qualify for discounts aren't getting them simply because they can't or won't fill out the paperwork. It is particularly challenging for hospitals to verify income and obtain paperwork for high-volume outpatient services. Patients also have a responsibility to cooperate with their insurer and complete documentation, such as coordination of benefit forms. Overall, this is an area that continues to be problematic, and no single solution is apparent.

The hospitals interviewed work hard to establish eligibility for financial aid and believe it is sound practice to seek payment unless they know that the patient is unable to pay. In the absence of reasonable documenta-

#### Reference Materials: Examples of Percentage of Charges Waived, Sliding Scales, Policies on Establishing Patient Ability to Pay, and Steps to Check Eligibility for Financial Assistance

<http://www.patientfriendlybilling.org/2003report/tools.htm#7>

tion, hospitals will pursue payment from patients who refuse or fail to complete financial assistance forms.

Some hospitals attempt to improve compliance rates by simplifying the forms and making them more patient-friendly, having patients complete documentation before leaving the hospital, and providing staff support to assist patients in completing documentation. Others align their financial assistance application forms with Medicaid's so that patients experiencing Medicaid denials may then apply for hospital discounts without providing additional documentation.

The consumer finance industry has easy-to-use tools to help in determining an individual's ability to pay. Hospitals may want to consider how to use these and other tools.

**Discounts for the Medically Indigent.** Some hospitals interviewed for the Project extend free care or discounts to patients who are deemed to be medically indigent. These are patients whose incomes may be relatively high, but their hospital bills exceed a certain proportion of their annual household income or assets. Some states require hospitals to offer discounts to uninsured or underinsured patients in this situation.

**a. What services are discounted?**

In deciding what healthcare services to discount, hospitals can consider the following factors:

**State Requirements.** Some states have specific rules regarding whether hospital policies must apply equally to elective, urgent, emergency or medically necessary care or to specific hospital services. Hospitals must be aware of these requirements before writing or revising policies.

**Qualifying Services.** Many hospitals interviewed for

the Project discount only medically necessary or non-elective services. Some specify that discounts are only for emergency and urgent care. Others have clinical approval processes to make these determinations. Still others rely on charity care committees to review individual cases.

Hospital definitions of medical necessity vary. Some are explicit and rely, for example, on definitions that govern the Medicare or Medicaid programs. Other hospitals leave more discretion to their medical staffs to determine necessity. For some, cosmetic surgery and non-medical services such as social, educational and vocational services are not covered. One hospital defines medically necessary to include "essential clinical services provided to the patient to clinically maintain or improve the patient's health." Another defines medically necessary services as the physician-ordered standard-of-practice care that is required to treat an illness or condition and is not cosmetic or experimental in nature.

**Alignment with Medical Staff.** No hospitals interviewed for the Project require medical staff members to grant similar discounts to uninsured and underinsured patients unless the physicians are employed by the hospital. Some hospitals communicate charity care decisions and eligibility information such as Medicaid determinations to physician offices, particularly to hospital-based and faculty physicians. Hospitals may also consider communicating to other providers when a patient qualifies for discounts. Hospitals would need to appropriately consider the need for patient permission in accordance with HIPAA requirements before communicating with others. Such communications might be helpful to the patient if all providers knew that he or she will need assistance. In addition, hospitals might consider encouraging other providers (medical staff,

**Reference Materials: Example Policies for Patient Responsibilities and Determining Medical Indigency, Outline of Patient Responsibilities, and Example Definitions of "Medically Necessary" and "Eligible Services"**

<http://www.patientfriendlybilling.org/2005report/tools.htm#8>

pharmacies, equipment suppliers, etc.) to offer discounts.

**Application of Policies to Non-Hospital Services.**

Many hospitals are members of health systems that include home health agencies, nursing homes, rehabilitation programs and other freestanding health services. System policies might specify whether financial assistance policies that apply to hospital services also are relevant to these other settings.

3. What discount levels are offered?

Many hospitals offer a variety of discount levels, which often depend on their organization's and community's particular circumstances. They also may depend on issues such as:

**Hospital Charge Description Master.** A key factor to consider when revising financial assistance policies and discounting is how the hospital Charge Description Master compares to levels prevailing in the local area, to cost, and to rates paid by other payers. The hospital's mix of services and distribution of patient care by payer also are important considerations. Discount rates should be revisited as services and gross charge levels change.

**Implications for Payer Contracts.** Some hospitals expressed concern that managed care payers may try to renegotiate or otherwise reduce their payments if hospitals adopt more generous discounts for uninsured and underinsured patients. Employers may respond by

dropping insurance coverage for hospital services or for health care altogether, thus shifting an even greater burden to hospitals.

**Impact Analysis.** Most hospitals interviewed have attempted to predict the potential impact of revised discounting and collections policies. Many anticipated a shift in uncompensated care from bad debt to charity care. In assessing actual experience with the new policies, hospitals find it difficult to isolate the impact of policy changes from the effects of growing numbers of uninsured and underinsured patients. Most systems indicate that it is simply too early to estimate the full impact of changes.

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*In determining the overall impact of proposed policy changes on the organization, hospitals should consider the organization's mission, mix of services and payers, and financial condition. Estimating the effect of changes is more difficult than merely applying a pure mathematical model to historical measures. Hospitals may also want to monitor and trend the impact of the changes over time; to do this, hospitals might track shifts in payments from insured and uninsured patients in addition to tracking absolute dollars.*

**Example Discount Matrix Based on Income and Amount of the Patient's Bill**

Charges (\$)	\$1,001 - \$2,500	\$2,501 - \$5,000	\$5,001 - \$10,000	\$10,001 - \$25,000	\$25,001 - \$50,000	\$50,000+
Income Level	<100% FPL	100%	100%	100%	100%	100%
<100% FPL	100%	100%	100%	100%	100%	100%
>100-200% FPL						
>200-300% FPL						
>300-400% FPL						

Charity Discount Matrix

Higher →

Lower ←

**Administrative and Systems Matters.** Hospitals interviewed for the Project indicate that applying a percentage discount to charges is administratively straightforward, while calibrating discount levels to alternative price points (such as Medicare rates, Medicaid payments, or managed care contract levels) is more complex. Hospitals can assess their system's ability to support various pricing structures.

**Varying Discounts Based on Patient Means and Level of Medical Indigency.** Virtually all interviewed hospitals have developed a sliding-fee scale that specifies different percentage discounts from gross charges depending on patients' household incomes; for example, policies may call for free care for patients at a specified percentage of the FPL, with lesser discounts for patients with progressively greater means. Discount levels can also vary between medically indigent patients and others. This approach results in a discount-level matrix, as shown on page 12.

**Medicare Rates or Other Price Points.** Most hospitals interviewed for the Project apply discounts to gross charges although some peg their discount levels to alternative price points, such as Medicare rates, Medicaid payments or managed care contract levels.

#### 4. How are policies communicated?

Interviewed hospitals and systems have made substantial efforts to increase patient awareness about the availability of discounts and payment plans using a wide variety of communication methods. The goal of these efforts is to broadly publicize the availability of financial assistance and make more specific information available in written form, such as brochures. In developing a communications plan, organizations might take into account the following:

**State and Federal Regulations.** Some states require not-for-profit hospitals to post information regarding charges and charity care policies in public places. Federal Medicare regulations create some questions about how best to communicate the availability of financial assistance without advertising or inducing business (although posting notices in registration and admission areas is permissible as is asking each patient when they arrive if they require financial assistance).

**Importance of Patient Friendly Billing.** Financial communications with patients should be concise and easy to read. For some organizations, it might be necessary to make a communications piece available in multiple languages. The goal is for written and spoken terminology to be easily understood by most consumers. Ideally, a communications piece should describe its purpose and any actions the patient needs to take and provide contact information for questions or additional information.

**Communication Approaches.** Most interviewed hospitals use signage to communicate the availability of financial assistance, particularly in states where this is required of not-for-profit hospitals. Others communicate the availability of charity care on patient bills or publish their policies in local newspapers. The availability of prompt-pay discounts typically is communicated upon request. Alternative sources of financial aid, such as Medicaid and Crime Victim Funds, also can be publicized. Hospitals should continue to seek new and innovative ways to make the availability of financial assistance widely known.

Members of the medical staff and hospital employees who have contact with patients should have an overall understanding of the hospital's discounting and collections practices and how patients can obtain assistance. Employees also need to recognize that language and cul-

#### Reference Materials: Examples of How Hospitals Determine Charges to the Uninsured/Underinsured and Communicating Charity Policies

<http://www.patientfriendlybilling.org/2005report/tools.htm#9>

ture can present challenges for patients who may qualify for financial assistance. Hospitals have adopted various strategies to communicate with non-English speaking patients, such as posting signs, printing bill statements and having patient information brochures available in multiple languages; making translation services available; and having automated phone answering systems that communicate in languages common in the hospital's service area.

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*Some hospitals work with local advocacy groups, local media and members of the community to improve their communication approaches.*

3. How are unpaid patient accounts resolved? For patients with the ability to pay, a number of issues need to be considered when reviewing or developing policies and practices for obtaining payment, including:

**State or Federal Regulations.** Some states have laws addressing various practices such as wage garnishment or the placement of liens on property or primary residences. Federal Medicare regulations specify that collections policies for Medicare patients must be comparable to, and no less rigorous than, for non-Medicare patients if the hospital wants to be reimbursed for Medicare bad debts. Other federal considerations are highlighted later in this document.

**Early Collections Activities.** Financial expectations should be set and communicated as early in the process

as possible. For emergency patients, financial matters should only be discussed at an appropriate time after the patient's condition is stabilized. For other patients, hospital personnel can ask the patient at preadmission how he or she will pay the amount to be owed. If the patient cannot pay, the hospital can ask the patient to complete financial assistance/Medicaid application documentation.

If the patient has a previous bad debt or outstanding balance, the hospital can try to collect or make payment arrangements for prior and new amounts owed or help the patient apply for Medicaid or other financial assistance.

**Payment Plans and Prompt-Payment Discounts.**

Many interviewed hospitals are implementing additional options to help patients with their bills, including prompt-pay discounts, payment plans and interest-free loans. Ideally, these options are presented during (or in advance of) scheduled appointments, at patient registration or prior to discharge. Most hospitals' billing and collections staffs also make many of these options available throughout the billing process. Most hospitals try to set up payment plans for a maximum of six months, but many are flexible and work with patients to set up plans that extend over a one- to three-year period or longer. Most hospitals interviewed do not charge interest on patient account balances, including those under a payment plan. In cases where an account is financed by an outside lender, that lender typically charges the patient interest.

**Role of Extended Business Offices.** Some interviewed hospital systems have established an extended business office, a department within the hospital that focuses exclusively on self-pay accounts. These departments can improve communication with patients and attempt to

**Reference Materials: Communicating Community Benefits and Examples of Communication Methods and Cultural Competency**

<http://www.patientfriendlybilling.org/2005report/tools.htm#10>

prevent referrals to outside collection agencies. These are centralized functions that support all system hospitals to ensure consistent and uniform application of policies.

**Role of Collection Agencies.** Accounts for those patients that have an ability to pay but cannot be resolved within a prescribed time period usually are sent to collection agencies. These collection agencies may be owned by the hospital or may be outside vendors. Increasingly, hospitals have become more explicit about the process agencies are to follow and the manner in which agencies work with patients by taking steps such as establishing contracts with clear terms and ensuring collection agencies' interactions with patients are appropriate and effectively supervised.

The timing for interviewed hospitals to send accounts to collections ranges from about 120 to 220 days. If the patient accounts department is actively working with a patient to apply for public programs, financial assistance or payment plans, the account is not referred to a collection agency.

**Legal Actions and Other Options.** State or local regulations often control the extent to which hospitals interviewed for the Project (and their collection agencies) resort to liens, other legal actions or other options to address unpaid accounts. The range of actions might include:

- Reporting unpaid accounts to a credit reporting agency;
- Wage garnishments;
- Liens against judgments, such as a lien against an amount awarded for an auto accident;
- Bank levies; and
- Property liens, foreclosures and other bank liens.

Most hospitals that have recently revised their policies have made them much more specific regarding the

circumstances under which these actions can be pursued. For example, some prohibit foreclosures on primary residences, while others forbid liens on retirement accounts of certain value. Others allow liens on assets (including homes) but do not permit foreclosures. For example, a hospital might file a lien against and foreclose on a vacation home. In some cases, a hospital may file a lien against an expensive home but not foreclose. This protects the hospital's interests in the event the home is sold but does not impact the patient while living in the home. Hospitals might also file a lien against an estate so that the hospital account is settled before the inheritance is distributed.

Some organizations require hospital staff or the board of trustees to sign off before initiating any legal action. One interviewed hospital limits the percentage of cases for which the collection agencies may initiate legal action.

**Changing Patient Circumstances.** Many hospitals interviewed for the Project allow discounts or free care to be granted at any stage of the patient experience (during pre-registration, during treatment or after treatment). Some encourage or require collection agencies to return accounts that qualify for charity back to the hospital for all subsequent account management. This allows for changing patient circumstances and additional opportunities throughout the revenue cycle for a patient to apply for financial assistance or to develop payment plans.

6. What structures and systems are in place to implement and administer policies effectively? No matter how much effort goes into the planning and development of new policies, the policies will be ineffective and won't help patients if the organization's structures and systems do not support them. When

**Reference Materials: Examples of Debt Collection Laws, Collection Procedures, Allowable Legal Actions, and Hospital System Oversight of Collection Activities**  
<http://www.patientfriendlybilling.org/2003report/tools.htm#11>

adopting new discounting and collections policies, hospitals might consider the following:

**Staff Training.** Training front-line staff on current and new policies is essential for effective and consistent administration. These activities should include training on customer service so that employees can better help patients facing difficult financial situations. Many hospitals have developed extensive training materials and programs to ensure that staff members are both knowledgeable and helpful.

**Charity Care Committees.** Some hospitals have charity care committees to make decisions about difficult cases and/or to handle patients' appeals. Some committees

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*Hospitals interviewed for this Project note that training is time- and resource-intensive, so staff training activities should be accounted for in scheduling implementation plans for new policies.*

include community or patient-advocate representatives, which can be an effective way to achieve dialogue and involvement with the community on these issues.

**Specifying Decision Making Authorities.** The question of who decides about the granting of discounts is answered differently among interviewed hospitals. Some allow front-line patient accounts representatives some discretion within specified parameters in granting discounts. Many hospitals have different decision-makers depend-

ing on the amount of the bill; authority ranges from patient accounts representatives to revenue cycle managers to the hospital's chief financial officer. Some hospital systems require local administrators to sign off on accounts before they are sent to collection agencies.

**Information Systems Solutions.** Hospitals indicate that automated solutions to help implement policies and procedures for discounting bills and collections payments for uninsured and underinsured patients need further development. Systems to check insurance coverage and help document patient income or assets, solutions that help implement charge-based discounts or alternative price points, and interfaces with collections agencies could streamline and standardize the hospital processes and improve the patient's experience.

**Monitoring and Measuring Performance.** Some hospitals interviewed for the Project have established specific metrics to monitor the effectiveness of their policies. Measures such as the proportion of self-pay accounts referred to collection agencies, proportion of accounts with payment activity, age of accounts receivable, and other performance measures help monitor results. Hospitals might also consider monitoring the effectiveness of internal processes, such as effectiveness of staff training and procedures through patient satisfaction and other measures.

**Involving Partners and Outside Vendors.** Interviewed hospitals have found it valuable to involve partners (such as eligibility vendors, collection agencies and extended business office staff) in updating policies and procedures. Involvement of these parties on the front end can help to avoid later problems with implementation and unintended consequences of policy changes.

**Reference Materials: Examples of Staff Training**

<http://www.patientfriendlybilling.org/2005report/tools.htm#12>

2. What is the relevant legal and regulatory context?<sup>2</sup> Historically, hospitals have had a number of valid concerns that discounting charges or having less aggressive collection efforts for uninsured or underinsured patients would create issues with federal healthcare programs, fiscal intermediaries, or the Office of the Inspector General (OIG).

CMS and OIG issued written interpretations of applicable law and regulations in February 2004. CMS and OIG also answered questions orally in an Open Door Forum in June 2004. CMS' most recent guidance on this issue was posted to its website on December 29, 2004. Taking all of OIG's and CMS' guidance together as of December 29, 2004, it is reasonably clear that hospitals can now waive charges and offer discounts to uninsured and underinsured patients without affecting Medicare payments for inpatient or outpatient outlier cases or additional payments for new technology cases.

Offering discounts to uninsured or underinsured patients may, however, have implications under state law, or may affect payments under contracts with non-governmental payers. Each hospital should research the applicable law in its state and review its third-party payer contracts to assess whether its proposed policies will pose problems and whether it can resolve or mitigate such problems.

**Some Federal Issues Remain.** Some of CMS' answers in the Open Door Forum relating to Medicare allowable bad debts have not been confirmed in writing at the time of this report. Areas where hospitals may desire additional written guidance from CMS or their intermediaries that payments for Medicare bad debts will be unaffected are:

- Making determinations of indigence for non-Medicare patients without applying an asset test; and

- Making determinations of indigence for non-Medicare patients based on a self-attestation.

There also is still uncertainty under the patient inducement statute and the illegal remuneration statute (often referred to as the "anti-kickback" statute) in some circumstances. Some areas where hospitals may desire written guidance from OIG are:

- Prompt-payment discounts for Medicare deductible or coinsurance amounts;
- Discounts furnished after a Medicare patient has exhausted covered days; and
- Advertising availability of financial assistance for federal healthcare programs.

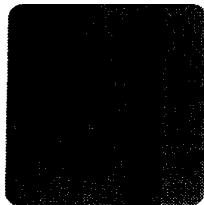
In addition to federal legal and regulatory issues, hospitals will want to consider issues that may arise under state law including: state laws barring discounting or waiving copayment amounts; the effect of discounts on Medicaid payments under the state plan; and any state laws on hospital charging practices. Nongovernmental third party payers who have negotiated contracts based in whole or in part on charges, e.g., percentage of charge contracts, may also contend that discounts offered to the uninsured or underinsured affect their contractual obligations to the hospital.

2. These comments are relevant to the legal and regulatory environment as of December 30, 2004. Some finer points have been omitted. These comments do not constitute legal advice. Individual hospitals should consult with their own legal counsel about their specific policies and situations.

#### Reference Materials: Legal References

<http://www.patientfriendlybilling.org/2004report/tools.htm#13>

## Section Four: Lessons Learned by Hospitals That Have Revised Their Policies



**I**nterviewed hospitals that recently made changes to their policies offer the following advice for other hospitals contemplating policy changes:

### Policy Characteristics

- The most effective policies are simple, clear and written with the patient in mind.
- It is helpful if the policies allow some flexibility. For example, recent pay stubs may indicate income slightly over the discount policy guidelines, but the patient says his work hours have recently been reduced.

### Involvement of Others

- Including the community in the process can lead to success.
- Hospitals that involve eligibility vendors, collection agencies and others with a role in the process of designing policies and procedures have fewer implementation problems.

### Training, Implementation and Monitoring

- Implementation plans need to allow sufficient time to develop and test patient education materials (brochures) and to conduct necessary staff training.
- Hospitals that train front-line staff to discuss payment before the patient leaves the hospital (particularly for pre-scheduled services) can minimize the need for collection activities.

- An extended business office can focus on self-pay accounts, be responsive to uninsured patients' needs, and can promote effective policy implementation.
- Hospitals may find it helpful to track and analyze the impact of policy changes; automated solutions can support this process.

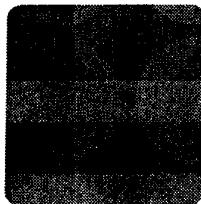
### Effects on Patients

- Hospitals can increase the insurance coverage available to patients by helping them apply for third-party coverage.
- Hospitals can help patients not eligible for governmental health insurance programs to obtain COBRA coverage or may consider paying COBRA premiums for patients, although hospitals should check with their counsel first to ensure that such action would not violate state laws.
- Hospitals can better help patients through the process if patients believe that bills and payment arrangements are reasonable.

### Importance of Action

- All hospitals should recognize that this is an important issue; if hospitals do not act responsibly, lawmakers may act for them.

## Section Five: Actions for Hospitals



To respond to these growing challenges, there are a number of actions that hospitals can consider:

- **Adopt guiding principles.** Hospitals can use the principles issued by AHA and used in this report, those issued by state hospital associations, or develop individualized principles based on their individual missions and values. Guiding principles help in the development of policies and in the communication of the organization's goals and priorities.
- **Update policies and practices** for discounting and collections for uninsured and underinsured patients.
- **Communicate to patients available financial assistance.** This includes assistance from governmental programs and the hospital's charity care programs. Effective communications are clear, concise, easy to understand and designed from the patient's perspective. The objective is for patients to understand the steps they need to take and the steps the hospital will take to help them resolve their account balances.
- **Develop improved methods to communicate with the patients** the amounts they owe for services and the basis for billed amounts. This includes communicating financial expectations as early in the process as possible and communicating in a way that treats patients with dignity, respect and compassion.

### *Helping Patients Get Insurance Coverage or Financial Assistance*



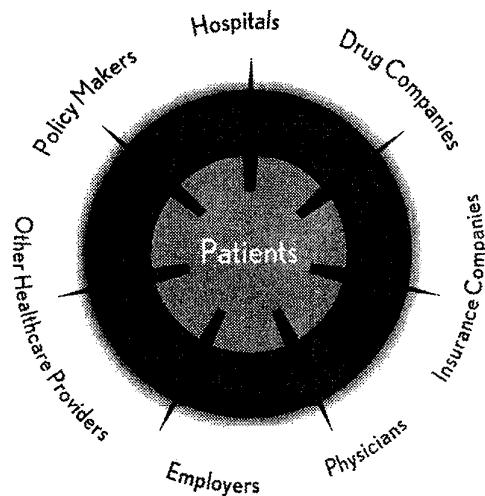
- **Engage the community and other stakeholders in these processes.** The community can provide valuable input to the hospital. Members of the community also can help inform the public about the ways that the hospital serves the community.
- **Work with information technology vendors to** identify technology features that would improve the hospital's ability to offer discounts, improve collection processes and communicate with patients.
- **Advocate for reductions in regulatory complexity** and volumes.

- Consider how the hospital can move from a charge structure that is set in a regulatory and insurance environment to one that considers the patient as a retail customer. This may be a longer-term effort as many aspects of the healthcare billing and payment systems are based on the existing, complex hospital charge structure.

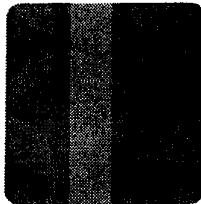
Many of the ideas and approaches in this report are incomplete solutions. Hospitals might consider working with policy makers and others to develop solutions to the underlying issue of increasing numbers of uninsured and underinsured patients. These patients also have difficulties paying for prescription drugs, physician services and other healthcare services provided outside of the hospital setting. Therefore, drug companies, physicians, other healthcare providers, insurance companies and employers all have responsibilities, and hospitals would benefit from including them in developing solutions to these multi-faceted problems. Hospitals can request that policy makers provide immunity from class action lawsuits and provide additional government payments to hospitals that follow

certain practices to help uninsured and underinsured patients. In the meantime, hospitals can make a difference in their communities by considering ways to improve their discounting and collections policies and practices for uninsured and underinsured patients.

#### *Working With Others*



## About the *PATIENT FRIENDLY BILLING*® Project



The *PATIENT FRIENDLY BILLING*® Project helps healthcare industry leaders create a friendlier, patient-focused healthcare billing and collections process. The Healthcare Financial Management Association (HFMA) leads the Project in partnership with the American Hospital Association (AHA), other associations, leading healthcare providers who have participated in task forces, and professional service and technology firms. The Project has issued four primary reports:

- November 2001 report, which summarized findings based on patient focus group research and recommendations by the first task force;
- June 2002 report, which focused on approaches to improving patient financial communications by medical group practices;
- June 2003 report, which emphasized the use of technology in improving patient financial communications; and,
- This February 2005 report, which provides insights from hospitals that have studied and revised discounting and collections policies and practices for uninsured and underinsured patients.

### Origin of this Report

From August 2003 through early 2004, hospital system leaders supported the concept of a national industry coalition to develop ideas and tools for hospitals to use in improving discounting and collections practices for

uninsured and underinsured patients. This report is the outcome of those discussions.

In April 2004, HFMA, AHA and the *PATIENT FRIENDLY BILLING*® Project leader selected Project advisors, including antitrust counsel, Medicare counsel, and a Project consultant. From April to August, hospitals and hospital systems were engaged through interviews and surveys. The hospital systems represent various geographical locations, market types and hospital sizes. Most of the hospital systems interviewed for the project have recently studied and revised their discounting and collections practices for uninsured and underinsured patients.

### Project Process

The Project consultant collected and analyzed data and qualitative findings from hospitals and systems. The Project consultant also interviewed state hospital associations. The research was summarized into five categories:

- Forces driving changes in policies and procedures;
- Barriers to change;
- Approaches to updating policies and procedures;
- Advice from the field; and
- Future challenges.

The research was used to prepare this analysis and examine the alternative ways that hospitals are approaching discounting and collections for services provided to their uninsured and underinsured patients.

**Associations and Advisors:****Associations:**

Healthcare Financial Management Association  
American Hospital Association

**Project Consultant:**

The Lewin Group, Inc.

**Project Legal and Regulatory Counsel:**

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**Project Antitrust Counsel:**

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**REPORT OF THE TASK FORCE ON  
 CHARITY CARE AND COLLECTION PRACTICES FOR THE UNINSURED  
 of the  
 ILLINOIS HOSPITAL ASSOCIATION  
 and the  
 METROPOLITAN CHICAGO HEALTHCARE COUNCIL**

**Adopted by the Board of Trustees of the Illinois Hospital Association  
 September 11, 2003**

**Adopted by the Board of Directors of the Metropolitan Chicago Healthcare Council  
 September 8, 2003**

**Introduction: Why Now?**

In recent months, hospitals across the nation and in Illinois have been accused of overbilling uninsured, poor, and immigrant patients and using aggressive collection practices. In Illinois the charge has been led by a coalition of labor union and immigrant groups. One of these unions, the Service Employees International Union (SEIU), is seeking to organize the employees of Advocate Health Care. In the publications of its Hospital Accountability Project, SEIU has singled out Advocate hospitals for alleged "discriminatory pricing," "price gouging," and aggressive collection practices. The project claims that Chicago-area Latino immigrants are disproportionately affected because they are more likely to be uninsured than the native-born.

The complaints of the labor unions and immigrant groups have found a sympathetic ear in the Chicago City Council, the Cook County Board of Commissioners, and among Latino legislators in the Illinois General Assembly. The Illinois Coalition for Immigrant and Refugee Rights is asking the General Assembly to enact legislation to protect uninsured patients from "discriminatory" pricing and aggressive collection practices by hospitals. State Rep. Harry Osterman (D-Chicago) and state Sen. Martin Sandoval (D-Chicago), cochairs of the Joint Legislative Task Force on Immigrants and Refugees, held a town hall meeting in Chicago August 19 where uninsured community members, often speaking through translators, told of difficulties in navigating the health care system, paying their hospital bills, and making themselves understood. The legislators have promised to hold more hearings this fall. At the federal level, U.S. Rep. Luis Gutierrez (D-4<sup>th</sup>) has asked the General Accounting Office – the investigative arm of Congress – to conduct a study of the issues.

Against this backdrop, the Illinois Hospital Association and Metropolitan Chicago Healthcare Council have appointed a joint membership task force to review hospital charity care policies and collection practices for the uninsured and to recommend steps Illinois hospitals might take to respond to the concerns that have been raised.

### **I. Hospitals and the Uninsured: Statement of the Problem**

Illinois hospitals have a longstanding commitment to improving health care for all residents, including the uninsured. Almost 1.7 million Illinoisans – 600,000 of them living in Chicago and many of them immigrants and the working poor – have no health insurance. Yet Illinois hospitals are there for them whenever they need patient care:

- Illinois hospitals provide more than \$2 billion annually in medical care for which they do not receive payment, including charity care.
- Illinois hospitals typically assist uninsured patients in applying for government-sponsored health care programs for which they may be eligible, such as Medicare, Medicaid, and KidCare.
- Illinois hospitals have long supported efforts to expand the number of persons covered by the State's health care programs, such as KidCare and FamilyCare.
- Illinois hospitals have fought for increased federal funds to help support the Illinois Medicaid program.
- Most Illinois hospitals reduce or write off bills for uninsured patients who are unable to pay. Hospitals offer their indigent, uninsured patients discounts up to 100 percent of total charges. Many uninsured patients pay little, if any, of the charges billed by the hospital for the services they receive.
- Illinois hospitals establish payment plans for uninsured patients who are able to pay.

Hospitals are committed to meeting the needs of everyone in their communities, including those who cannot pay for their care. Individuals have an obligation to pay for the services they receive. Similarly, hospitals have a duty to seek to collect from patients who are able to pay.

The current regulatory environment, however, makes it difficult for hospitals to adopt more compassionate charity care and collection practices for low-income, uninsured patients. Confusing, cumbersome, and contradictory laws intended to prevent discrimination, overbilling, and the provision of unnecessary care have hindered hospital efforts to fully respond to these patients' concerns. For example:

- Federal fraud and abuse laws (e.g., Section 1128 of the federal Social Security Act) expressly prohibit hospitals from routinely waiving or reducing many fees charged to patients for care provided.

- Medicare regulations require that all patients, regardless of financial class, be assessed the same charge for the same service. Severe federal penalties for non-compliance (e.g., exclusion from participation in the Medicare and Medicaid programs) encourage hospitals to strictly adhere to uniform charge schedules across all payer types.
- Federal laws and regulations require hospitals to make “reasonable” collection efforts before they are allowed to write off any uncollected balance as “uncompensated care” or to seek reimbursement from Medicare for “bad debt.”

Federal laws and regulations have the unintended consequence of discouraging hospitals from offering reduced-cost or free care to certain patients, such as the uninsured. A recent study by the Commonwealth Fund, a private foundation that supports independent research on health and social issues, concluded that existing federal laws and regulations often leave patients, especially those without health insurance coverage, in significant financial debt.

IHA and MCHC will continue to collaborate with the American Hospital Association as it works with federal regulators to clarify confusing rules and regulations on this matter. In the meantime, this report recommends steps that Illinois hospitals can take to ensure that their charity care policies and collection practices are as patient-friendly as possible while complying with existing regulations.

## II. Charity Care Guidelines

Illinois hospitals are encouraged to review their current charity care policies and modify them so that they are no more restrictive than the following guidelines. Nothing in these guidelines is intended to limit or discourage a hospital from adopting a policy that is more liberal. Moreover, these are general guidelines that each hospital should modify to meet its local needs and circumstances.

### Hospital Responsibilities

- The hospital will have a charity care policy to evaluate and determine a patient’s eligibility for financial assistance. Charity care will be available for medically necessary hospital care provided to persons who meet the financial and documentation criteria defined in the policy. Each situation will be reviewed independently and allowances will be made for extenuating circumstances based on good faith efforts and mitigating factors.
- The hospital will have a means of communicating the availability of charity care to all patients. Examples of mechanisms that the hospital may use to do this include, but are not limited to:
  - Placing signage, information, or brochures in appropriate areas of the hospital (e.g., the emergency department, organized registration areas, and the business office) stating that the hospital offers charity care and describing how to obtain more information about financial assistance.
  - Using languages that are appropriate for the hospital’s service area.

- Placing a note on or with the hospital bill and statements regarding how to request information about financial assistance.
  - Designating departments or individuals who can explain the hospital's charity care policy.
- Staff in the hospital's patient financial services and registration departments will understand the hospital's charity care policy and be able to direct questions regarding the policy to the proper hospital representative. Hospital staff who regularly interact with patients will know that the hospital has a charity care policy and be able to direct questions regarding the policy to the proper hospital representative. An annual in-service is encouraged.
- An uninsured patient will receive a full (100%) discount if he or she can demonstrate family income at or below 100% of federal poverty guidelines, subject to income verification processes of the hospital and other hospital charity care eligibility requirements. Hospitals are encouraged to offer a partial discount when an uninsured individual's family income is greater than 100% but equal to or less than 200% of federal poverty guidelines, and the uninsured person meets other charity care eligibility requirements.
- In determining whether a patient meets the eligibility criteria for charity care, a hospital may consider the extent to which the person has assets other than income that could be used to meet his or her financial obligation.
- After receiving the patient's request for financial assistance and any financial information or other documentation needed to determine eligibility for charity care, the hospital will notify the patient of its eligibility determination within a reasonable period of time. The hospital will also advise the patient of his or her responsibilities under these charity care guidelines.
- The hospital's use of federal poverty guidelines will be updated annually in conjunction with the federal poverty guideline updates published by the United States Department of Health and Human Services.

#### Patient Responsibilities

- To be considered for a discount under the charity care policy, an uninsured person must cooperate with the hospital to provide the information and documentation necessary to apply for other existing financial resources that may be available to pay for his or her health care, such as Medicare, Medicaid, KidCare, FamilyCare, third-party liability, etc.
- To be considered for a discount under the charity care policy, an uninsured person must provide the hospital with financial and other information needed to determine eligibility.
- A request for financial assistance under this policy must be made by or on behalf of the patient. Patients may apply for, and will be encouraged to apply for, financial assistance before, during or within a reasonable time after hospital care is provided. In the event they do

not initially qualify for financial assistance after providing the requested information and documentation, patients may re-apply if there is a change in their income, assets, or family size responsibility.

- An uninsured patient who qualifies for a partial discount must cooperate with the hospital to establish a reasonable payment plan, which takes into account available income and assets, the amount of the discounted bill(s), and any prior payments.
- Uninsured patients who qualify for partial discounts must make a good faith effort to honor the payment plans for their discounted hospital bills. They are responsible for communicating to the hospital any change in their financial situation that may impact their ability to pay their discounted hospital bills or to honor the provisions of their payment plans.

### **III. Collection Practices Guidelines For Charity Care Patients**

Illinois hospitals are encouraged to review their current collection practices and modify them so that they are consistent with the following guidelines. Nothing in these guidelines is intended to limit or discourage a hospital from applying these guidelines to a broader group of patients through an expansion of its charity care eligibility criteria. Moreover, these are general guidelines that each hospital may modify to meet its local needs and circumstances.

These collection practices apply to outstanding bills from uninsured patients who qualify for a partial discount under the hospital's charity care policy (hereinafter referred to as a charity care patient). Generally these are individuals whose family income is between 100% and 200% of the Federal Poverty Guidelines, and who meet other charity care eligibility requirements outlined by the hospital. The following collection practices also apply to external collection agencies engaged by the hospital to assist with obtaining payment on outstanding bills from charity care patients who are granted partial discounts.

#### **Hospital Responsibilities**

- When a patient has been approved under the hospital's charity care policy for a partial discount, the hospital will work with the patient or responsible party to establish a reasonable payment plan, which takes into account available income and assets, the amount of the discounted bill(s), and any prior payments. The hospital will also advise the patient of his or her responsibilities under these collection practices guidelines.
- Hospitals may offer prompt payment discounts to charity care patients who are eligible for partial discounts on their hospital bills.
- The hospital will not pursue legal action for non-payment of bills against charity care patients who have clearly demonstrated that they have neither sufficient income nor assets to meet their financial obligations.
- Legal action, including the garnishment of wages, may be taken by the hospital to enforce the terms of the payment plan when there is evidence that the charity care patient or responsible party has sufficient income and/or assets to meet his or her obligation.

- The hospital will not place a lien on a charity care patient's primary residence if this is the patient's sole real asset unless the value of the property clearly indicates an ability to assume significant financial obligations. The hospital will not execute a lien by forcing the sale or foreclosure of a charity care patient's primary residence to pay for an outstanding medical bill.
- The hospital will not use body attachment to require the charity care patient or responsible party to appear in court.
- The hospital will ensure that the guidelines outlined above are followed by any external collection agency engaged to assist in obtaining payment on outstanding bills from charity care patients.

#### Patient Responsibilities

- To receive favorable treatment under the collection practices described above, the uninsured patient must have qualified for a partial discount under the hospital's charity care policy by having provided the financial information and other documentation needed to determine eligibility for such a discount.
- To receive favorable treatment under the collection practices described above, charity care patients or their responsible parties must cooperate with the hospital to establish a reasonable payment plan, which takes into account available income and assets, the amount of the discounted bill(s), and any prior payments.
- To receive favorable treatment under the collection practices described above, charity care patients must make a good faith effort to honor the payment plans for their discounted hospital bills. They are responsible for communicating to the hospital any change in their financial situation that may impact their ability to pay their discounted hospital bills or to honor the provisions of their payment plans.

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ATTACHMENT #7

# Master Lease Agreement

What is it:

Functions like a line of credit, in that when you are ready to accept approved budgeted equipment you draw down the funds for that piece of equipment.

# Master Lease Agreement

How does it impact Cook County Health and Hospitals System (CCHHS) financials?

- We plan on utilizing the funds for “operating” leases rather than “capital” leases
- With operating leases, the actual expense impacts only the Income Statement
- A lease expense was not included in the FY2009 Budget as all capital was assumed to be purchased with bond funds and would be depreciated
- FY2009 Depreciation Expense for Capital Purchases made was \$4.5m
- Estimated FY2009 “Operating” lease expense \$10m

# Master Lease Agreement

Criteria for a Capital Lease:

Has to meet only one of the following

- 1) Bargain purchase option
- 2) Transfer of ownership at the end of lease
- 3) Lease term is equal to 75% or more of the estimated economic life of property
- 4) Minimum lease payments equals or exceeds 90% of the fair value of the property

# Master Lease Agreement

## Next steps:

- States Attorney's Office (SAO) putting RFP in proper form
- Approval from Cook County CFO because of guarantee
- Work with Cook County Purchasing Agent to post on County website

# Master Lease Agreement

## Timeline:

12/18 – Receive RFP back for SAO

01/09 – Post RFP on County Website

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ATTACHMENT #8

# UHC/Solucient Benchmarking

## Objective:

To be able to evaluate CCHHS' productivity head to head with best in class organizations and facilities of similar size, payer mix, complexity and patient population. The challenge is to deliver top quality care while keeping labor costs under control.

# Overview

Has productivity data from more than 750 healthcare organizations across the Country. Has the largest comparative database in the industry.

# UHC/Solucient Benchmarking

NAPH hospitals' in the database include:

- Maricopa Integrated Health System – AZ
- Denver Health – CO
- Howard University – DC
- Shands Healthcare – FL
- Grady Health System – GA
- Wishard Health Services – IN
- Hennepin County Medical Center – MN
- Truman Medical Center – MO
- Ohio State University Medical Center I- OH
- Parkland – TX
- Harborview Medical Center - WA

# UHC/Solucient Benchmarking

Internal step taken to date:

Engaged A&M to validate management's assumption that productivity is out of line with best-in-class including CCHHS marketplace and other NAPH hospitals.

# UHC/Solucient Benchmarking

## Utilization of the Benchmarking Tool

- Provides comparative benchmarks to help us understand the gaps and identify specific areas with the greatest potential for labor savings.
- With more information about individual departments, developed from departmental questionnaire, we will gain more relevant detail to support our analysis.
- Incorporate benchmarking metrics into measurable departmental goals to guide operational change across the organization.

# UHC/Solucion Benchmarking

## Other Benefits from Benchmarking Tool:

- Departmental Directors can partner with peers
- Customized departmental level comparative groups
- Enhance cultural transformation by challenging the status quo with reliable comparisons and information
- Support operational improvement with data-driven priorities and solutions.

# UHC/Solucient Benchmarking

## Timeline:

- December 12<sup>th</sup> – Approval of contract by Finance Committee
- December 18<sup>th</sup> – Approval of contract by Board
- January 5<sup>th</sup>-22<sup>nd</sup> – Departmental questionnaires completed
- January 26<sup>th</sup> – Information sent to UHC/Solucient for comparison match
- February 2<sup>nd</sup>-19<sup>th</sup> – Individual meetings with Department Directors to establish metrics
- March 2<sup>nd</sup> – Plan in place to implement FTE right sizing

# UHC/Solucion Benchmarking

Cost:	Annual Fee	One-Time Fee
*Stroger	\$ 50,000.00	\$38,000.00
Provident	34,000.00	25,000.00
Oak Forest	<u>34,000.00</u>	<u>25,000.00</u>

Total    \$118,000.00    \$88,000.00

\* Includes ACHN

# UHC/Solucient Benchmarking

Recommendation:

Start with Stroger and determine if we are achieving our objective